

EXHIBIT A

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

IN RE: HIGH-TECH EMPLOYEE)
ANTITRUST LITIGATION)
) No. 11-CV-2509-LHK
THIS DOCUMENT RELATES TO:)
ALL ACTIONS.)
_____)

HIGHLY CONFIDENTIAL - ATTORNEYS' EYES ONLY

VIDEO DEPOSITION OF BRUCE CHIZEN

MARCH 15, 2013

Reported by: Rosalie A. Kramm, CSR No. 5469, CRR

11:16:29 1 that he was displeased?

11:16:31 2 A. Yes.

11:16:42 3 Q. Did you understand that at some point in time
11:16:43 4 Steve Jobs came to believe that Adobe was not a partner
11:16:46 5 of Apple's?

11:16:48 6 MR. MITTELSTAEDT: Object to form.

11:16:49 7 THE WITNESS: I don't know what Steve believed
11:16:51 8 or didn't believe.

11:16:52 9 BY MR. SAVERI:

11:16:53 10 Q. Did he ever express that to you? That is that
11:16:56 11 he had come to the conclusion that Adobe was no longer a
11:17:01 12 partner of --

11:17:02 13 A. No.

11:17:03 14 Q. -- of Apple's?

11:17:04 15 A. Not that I recall, no.

11:17:17 16 Q. Can you recall or identify a decision that you
11:17:19 17 made as CEO of Adobe that caused the most friction
11:17:24 18 between the two companies?

11:17:27 19 A. I can recall a number of decisions I made. I
11:17:29 20 don't know which one was the most decisive.

11:17:34 21 Q. Can you describe those for me, please.

11:17:36 22 A. One was the decision to optimize for OS X
11:17:47 23 around our product LiveCycle, so in conjunction with
11:17:54 24 product feature additions, as opposed to just doing OS X
11:17:59 25 only --

11:17:59 1 Q. Right.

11:17:59 2 A. -- additions. Steve was not happy with that.

11:18:10 3 Steve showed me some prototypes of a Macintosh
11:18:15 4 computer on the Intel architecture before they were
11:18:19 5 publicly announced, and we had just gotten done
11:18:23 6 completing our OS X initiatives, which were painful and
11:18:27 7 hard, and it would have been a lot of work to now port
11:18:30 8 them to an Intel architecture, and I told him that, and
11:18:33 9 he didn't like that.

11:18:35 10 Q. Okay.

11:18:36 11 A. Those are two examples of things that he didn't
11:18:38 12 like. He didn't like that the products on Windows looked
11:18:45 13 and felt like the products on Macintosh, thereby not
11:18:52 14 differentiating the two platforms, which was upsetting to
11:18:56 15 him.

11:18:57 16 Q. Anything else that you would identify as
11:18:59 17 particular decisions that you made that --

11:19:02 18 A. There would be product features that we
11:19:04 19 weren't -- I don't recall which one, because the list
11:19:07 20 would go on and on -- that we were implementing that
11:19:11 21 didn't take full advantage of the unique capabilities of
11:19:16 22 his hardware and software.

11:19:26 23 Q. When -- when Steve Jobs was displeased with any
11:19:31 24 of these decisions that you made, how did he express that
11:19:33 25 to you?

11:19:36 1 A. It's hard for me to tell whether he expressed
11:19:39 2 all his displeasure on each of my decisions, but many of
11:19:43 3 his -- many of the decisions that I made he would
11:19:47 4 typically pick up the phone and start screaming at me.

11:19:51 5 Q. Okay. So he had -- he had your cell phone
11:19:55 6 number?

11:19:55 7 A. He probably had my cell phone number. He
11:19:58 8 definitely had my home number. And he had my office
11:20:01 9 number.

11:20:01 10 Q. So he would call you from time to time and
11:20:04 11 express his displeasure in -- in no uncertain terms; is
11:20:08 12 that fair?

11:20:09 13 A. That is very fair.

11:20:10 14 Q. Would he also -- did he also send you emails,
11:20:12 15 too, sometimes?

11:20:18 16 A. On the bigger issues he typically picked up on
11:20:21 17 the phone. On the ones that were just slightly annoying,
11:20:24 18 he'd send me an email. He was much more effective on the
11:20:29 19 phone.

11:20:35 20 Q. During the time that you were CEO, do you think
11:20:38 21 that the relationship between the two companies, that is
11:20:40 22 Adobe and Apple, got worse?

11:20:42 23 A. Yes.

11:20:42 24 Q. Were there particular points in time or
11:20:44 25 milestones in that arc where you -- where you think the

11:20:51 1 relationship did get significantly worse?

11:20:55 2 A. Yeah, again, I'm recalling, so I -- you know,
11:21:00 3 my timetables could be off. I might miss some events.

11:21:06 4 Certainly when he introduced -- again, I think
11:21:09 5 it was Final Cut, which was the video editing solution,
11:21:13 6 he had purchased that solution from Macromedia, this is
11:21:17 7 way before we acquired them, and he told me that he was
11:21:19 8 purchasing it at the time to go into the consumer market,
11:21:24 9 and he ended up going into the professional market.

11:21:27 10 Q. Right.

11:21:27 11 A. So that -- that was a disturbing situation, and
11:21:33 12 we discussed it, and he said, yeah, we had to change our
11:21:37 13 direction because of a whole bunch of reasons, which I
11:21:41 14 clearly understood. That doesn't mean I liked it.

11:21:47 15 The not getting to OS X as quickly as he wanted
11:21:52 16 us to across the product line was painful for the
11:21:58 17 relationship from his perspective.

11:22:04 18 Him launching Aperture, which was a digital
11:22:09 19 imaging product, which did compete direct -- didn't
11:22:14 20 compete directly with Adobe Photoshop, but we thought it
11:22:19 21 infringed on our franchise and hurt our partnership.

11:22:23 22 Those are the ones that stood out for me while
11:22:25 23 I was there.

11:22:27 24 Q. Did he pick up the phone and call you about all
11:22:29 25 of those things?

11:22:33 1 A. OS X, yes; Final Cut, that was me calling him.

11:22:41 2 Q. Okay.

11:22:43 3 A. And then Aperture, I think he called me to tell
11:22:46 4 me that he was introducing the product, and it didn't
11:22:50 5 compete.

11:22:52 6 Q. So when he called you, and you had these
11:22:58 7 spirited discussions, do you think he was angry from time
11:23:04 8 to time?

11:23:05 9 A. I -- I don't know. I have no way of knowing
11:23:10 10 what his feelings were. I believed that everything that
11:23:15 11 Steve did was in the best interest of Apple computer, as
11:23:24 12 I believe that everything that I did was in the best
11:23:26 13 interest of Adobe Systems. And that was the way I
11:23:29 14 approached Steve Jobs.

11:23:31 15 So I don't know whether he was angry, whether
11:23:34 16 he was sad, whether he liked me, whether he disliked me,
11:23:37 17 nor did it matter.

11:23:38 18 Q. Well, did he ever tell you that he thought you
11:23:40 19 had been untruthful to him?

11:23:45 20 A. I -- I don't recall.

11:23:46 21 Q. Did he ever tell you that he thought you were a
11:23:48 22 liar?

11:23:50 23 A. I don't recall him ever telling -- I suspect he
11:23:53 24 would have liked to tell me that, but I don't think he
11:23:57 25 ever said that.

11:23:59 1 Q. Okay.

11:23:59 2 A. At least I don't recall it.

11:24:01 3 Q. And do you recall if he ever said he couldn't
11:24:03 4 trust you anymore?

11:24:05 5 A. I don't recall him saying that.

11:24:06 6 Q. Okay. Let me just go back for a second.

11:24:13 7 When you talk -- I asked you some questions
11:24:15 8 about companies that -- that Adobe collaborated with.

11:24:20 9 Prior to the acquisition of Macromedia, did you view
11:24:25 10 Macromedia as a company that Adobe collaborated with?

11:24:30 11 A. No.

11:24:31 12 Q. Was there -- prior to the acquisition of
11:24:34 13 Macromedia by Adobe, was there a business relationship
11:24:38 14 between the two companies, licensing, products,
11:24:43 15 development agreements, that sort of thing?

11:24:45 16 A. If there was, it was because we had no choice,
11:24:47 17 but we were busy suing each other in the courts.

11:24:51 18 Q. Right. Okay. Let me switch subjects a little
11:26:19 19 bit. During the time that you were the CEO of Adobe, how
11:26:22 20 many people worked for Adobe?

11:26:25 21 A. [REDACTED]

[REDACTED] [REDACTED].

11:26:32 23 Q. How many physical locations did Adobe operate
11:26:35 24 in?

11:26:38 25 A. I -- I don't recall.

11:26:40 1 Q. Well, were there several?

11:26:41 2 A. Yes.

11:26:44 3 Q. Did Adobe operate across -- across the world?

11:26:48 4 A. Yes.

11:26:53 5 Q. Can you tell me how significant were labor

11:26:59 6 costs for Adobe?

11:27:02 7 A. Very significant.

11:27:03 8 Q. Is there some metric you -- we could use to

11:27:06 9 talk about that in terms of the budget?

11:27:08 10 A. I don't -- I don't -- I don't have specific

11:27:12 11 data that I can recall. It's certainly a -- probably

11:27:18 12 available through some of the SEC filings. I just don't

11:27:21 13 know.

11:27:22 14 Q. But would you agree with me that labor costs

11:27:24 15 were a significant part of Adobe's costs?

11:27:28 16 A. Yes.

11:27:30 17 Q. Can you identify any -- any item of cost that

11:27:34 18 was more significant at Adobe?

11:27:40 19 A. Not off the top of my head.

11:27:44 20 Q. So as you sit here today, can you give me any

11:27:46 21 sense of what percentage of Adobe's costs were labor

11:27:49 22 costs? It is a long time ago.

11:27:52 23 A. A long time ago, I forgot that P&L.

11:27:55 24 Q. Congratulations.

11:27:56 25 When you were the CEO, though, did you see that

11:27:59 1 kind of information?

11:28:00 2 A. Yes.

11:28:05 3 Q. As the CEO, did you have responsibility for
11:28:08 4 setting a budget for labor costs?

11:28:13 5 A. The way we did budgeting at Adobe was more on
11:28:17 6 the departmental side, so the -- the labor costs were the
11:28:24 7 result of how we allocated the expenditures. So I didn't
11:28:28 8 specifically say, let's allocate X percent towards labor
11:28:32 9 or towards personnel.

11:28:34 10 It was the aggregate of that that I would look
11:28:36 11 at after the business planning was done.

11:28:39 12 Q. So could you give me -- could you describe for
11:28:41 13 me what your regular role was as CEO with respect to
11:28:46 14 setting compensation levels at Adobe.

11:28:49 15 A. Yes. I set the compensation philosophy of the
11:28:53 16 company. I had to approve and wanted to approve the
11:28:58 17 total merit increases. I would review at a certain level
11:29:04 18 the merit increases by function and by title. I would
11:29:10 19 look at the external data to make sure that we were
11:29:16 20 staying within our compensation philosophy. [REDACTED]

11:29:23 21 [REDACTED]

11:29:27 22 [REDACTED]

11:29:31 23 [REDACTED]

11:29:35 24 [REDACTED]

11:29:38 25 [REDACTED]

11:29:41 1

[REDACTED]

11:29:44 2

Q. When you say a range, what do you mean?

11:29:46 3

A. For every position, we would have a salary

11:29:50 4

range. So depending on a person's individual experience,

11:29:58 5

their role and responsibility, the job would pay

11:30:02 6

externally between X and Y according to the data we had,

11:30:06 7

and we said philosophically we wanted to pay within the X

11:30:11 8

percent and the Y percent of that range.

11:30:14 9

Q. Right.

11:30:14 10

A. [REDACTED]

11:30:17 11

[REDACTED] There were always

11:30:21 12

exceptions. Acquisitions, people who had incredible

11:30:27 13

talent that were really providing a bigger role than

11:30:30 14

their title did, so there were always exceptions. But

11:30:33 15

for the most part, I took responsibility philosophically

11:30:40 16

to comply to what I believed to be the right thing to do.

11:30:44 17

Q. Was everybody who worked at Adobe assigned a

11:30:47 18

job title?

11:30:50 19

A. I think so.

11:30:51 20

Q. And was every -- so was everybody at Adobe

11:31:00 21

assigned or put into a job title with which a salary

11:31:05 22

range was associated?

11:31:07 23

A. I think so. But the details for how that

11:31:13 24

philosophy got executed, I don't know the tactical

11:31:17 25

systems around it.

11:31:18 1 Q. Well, and I'm just trying to find out what your
11:31:20 2 involvement is in this structure and this system. Do
11:31:23 3 you -- did you have any role in, using your kind of
11:31:26 4 terminology, in setting the X and the Y of a salary
11:31:29 5 range?

11:31:30 6 A. Yes.

11:31:31 7 Q. And what was your role?

11:31:32 8 A. At a -- at a functional -- as a company-wide,
11:31:38 9 we would say, for specific functions we wanted to pay
11:31:41 10 within this range. For other functions, we were willing
11:31:44 11 to go within a different range depending on the function
11:31:47 12 of the job. I would not get involved in the details of
11:31:52 13 an individual's salary unless -- two reasons: They were
11:31:58 14 a certain level and above, some -- what we -- I think it
11:32:04 15 was either director or senior director. I forget the
11:32:07 16 titles at the time. [REDACTED]

11:32:12 17 [REDACTED]

11:32:16 18 [REDACTED]

11:32:17 19 Q. Were the ranges set based in part on market
11:32:20 20 metrics or -- or market surveys?

11:32:23 21 A. We -- we relied heavily on external data. So
11:32:26 22 it -- I don't -- I don't know which ones, but Radford
11:32:29 23 would be an example of that, the Radford data.

11:32:32 24 Q. Did you yourself review or were you presented
11:32:34 25 Radford surveys as part of your review of the

11:32:37 1 compensation?

11:32:38 2 A. At a summary level.

11:32:39 3 Q. Okay. And were there particular market targets
11:32:45 4 that Adobe used as benchmarks or guidelines for setting
11:32:49 5 salary ranges?

11:32:51 6 A. Yes.

11:32:51 7 Q. And what were they?

11:32:53 8 A. I don't know specifics, but they tended to be
11:32:56 9 software, high-tech, those that were geographically
11:33:03 10 similar to wherever the position existed.

11:33:06 11 Q. And would -- was it your practice or your
11:33:09 12 philosophy to set those salary ranges at a certain
11:33:14 13 percentage or at a certain level based on what your --
11:33:17 14 what Adobe understood the market to be, based on Radford
11:33:21 15 data or other information?

11:33:23 16 A. Yeah, if I understand your question, correctly,
11:33:25 17 yes.

11:33:26 18 Q. Okay. The -- and so from time to time did the
11:33:32 19 X and Y of a salary range change?

11:33:35 20 A. Yes. So depending on the market data -- and --
11:33:39 21 typically, it would be reviewed once a year during
11:33:42 22 planning process.

11:33:43 23 Q. And would you have a role in -- or did you
11:33:45 24 approve that on a regular basis?

11:33:49 25 Let me ask a better question.

11:33:51 1 Was it part of your job to approve changes to
11:33:54 2 those salary ranges?

11:33:57 3 A. No. I would approve the annual merit
11:34:00 4 increases. I would review the bonuses paid out to the
11:34:06 5 top percentage of the company, so it tended to be --

11:34:10 6 Q. Right.

11:34:10 7 A. -- management positions, above. I don't
11:34:13 8 believe I would look at the salary range data. I just
11:34:15 9 wanted to know that -- I relied on the HR department to
11:34:19 10 tell me they were complying with our philosophy, which
11:34:22 11 was to pay within a range, and if we -- if we were going
11:34:28 12 to move a complete function to a different range, then I
11:34:33 13 would get involved.

11:34:34 14 So, for example, if we were paying engineers in
11:34:37 15 the 40 to 60 percentile, and if there was a proposal to
11:34:46 16 start paying at a higher range, 70 to 90 percent, that
11:34:49 17 would come to my attention, I believe.

11:34:52 18 Q. Okay. But -- did Adobe, for example, use these
11:35:06 19 to set salary ranges for particular job titles or job
11:35:10 20 categories at a range that was calculated at 40 percent
11:35:13 21 or 60 percent of market?

11:35:14 22 A. I -- again, at a high level, I know what we
11:35:19 23 did. I don't know what we did for a specific position
11:35:22 24 and -- that's a level of detail I -- I -- I don't -- I
11:35:26 25 don't recall getting involved in.

11:35:28 1 Q. Okay. Fair enough. But if -- if there had
11:35:30 2 been a salary range established, and let's just say
11:35:35 3 hypothetically it was 40 percent to 60 percent of market
11:35:38 4 based -- for a particular job, like a software engineer,
11:35:45 5 if the Radford Survey data came back and said, the market
11:35:53 6 has gone up 5 percent, did you -- did you decide whether
11:36:05 7 that 40 to 60 percent would be raised 5 percent to
11:36:10 8 reflect the Radford data or market information, or was
11:36:14 9 that something that the HR compensation folks did?

11:36:16 10 MR. MITTELSTAEDT: Object to form.

11:36:19 11 THE WITNESS: Typically, the HR people would
11:36:21 12 come to me and say, we really need to move the ranges on
11:36:25 13 this based on the Radford data. Here is the Radford
11:36:28 14 data. So it would be me approving a recommendation.

11:36:33 15 Again, the philosophy of the company, which I
11:36:38 16 said, we're going to pay within this percentile for
11:36:41 17 these -- at a high level --

11:36:42 18 BY MR. SAVERI:

11:36:43 19 Q. Right.

11:36:43 20 A. -- for, you know, engineering product, we'll
11:36:45 21 pay this, for the rest of the organization we're paying
11:36:47 22 this within the Radford, so if Radford moved
11:36:51 23 automatically, the -- that would move.

11:36:53 24 Q. And that was my question, whether in order for
11:36:55 25 the compensation for any particular people who fell

11:36:58 1 within that range to move, did you have -- did you have
11:37:01 2 to validate Radford's conclusion that it moved --

11:37:04 3 A. No.

11:37:04 4 Q. -- 5 percent or that was just something --

11:37:06 5 A. That was typically -- no, with one caveat, we
11:37:10 6 also had to live within our budget. So if Radford moved
11:37:14 7 20 percent, and we can only afford to do a merit increase
11:37:19 8 for the company of 5 percent, we had to make a conscious
11:37:22 9 decision of which positions we were going to let go to
11:37:26 10 the 20 percent versus which ones we were going to keep at
11:37:30 11 2 percent. That's when I would get involved.

11:37:32 12 Q. Did that ever happen from time to time, that
11:37:33 13 the market data came back in a way that you couldn't
11:37:37 14 afford?

11:37:38 15 A. Typically not. Adobe was such a cash rich
11:37:44 16 company, expense was not my number one concern.

11:37:48 17 Q. Okay.

11:37:49 18 A. I was more concerned about revenue growth. So
11:37:51 19 I didn't -- I wasn't -- I wanted to pay in a way where we
11:37:56 20 paid fairly, where we weren't losing people, we weren't
11:38:03 21 able to attract people within appropriate fair
11:38:09 22 compensation. If somebody wanted to get rich, if it was
11:38:12 23 all about compensation, Adobe would have been a terrible
11:38:14 24 place for them to come. Because philosophically, we
11:38:19 25 weren't high payers, we weren't extreme. We didn't -- we

11:38:22 1 didn't do what some of the other companies were doing.

11:38:25 2 We wanted people to come to Adobe who were passionate

11:38:28 3 about our mission. We wanted to pay them fairly, and my

11:38:31 4 definition of "fairly" was within the Radford ranges.

11:38:35 5 Q. Well, was recruiting and retention important to
11:38:39 6 you as the CEO --

11:38:41 7 A. Yes.

11:38:41 8 Q. -- of Adobe?

11:38:43 9 A. Yes.

11:38:45 10 Q. Was it important to the business success of
11:38:48 11 Adobe?

11:38:49 12 A. Yes.

11:38:50 13 Q. Was there ever a time when recruiting and
11:38:53 14 retention was not important to the business success of
11:38:56 15 Adobe while you were CEO?

11:38:58 16 A. No.

11:38:59 17 Q. Now, was setting appropriate levels of
11:39:05 18 compensation an important component to the successful
11:39:11 19 recruiting and retention of talent at Adobe?

11:39:14 20 A. Yes.

11:39:37 21 Q. I'm going to change subjects again.

11:39:39 22 Did there come a point in time when you became
11:39:41 23 aware that the Department of Justice was investigating
11:39:44 24 Adobe's recruiting practices, in particular its agreement
11:39:49 25 with -- with Apple?

11:39:52 1 A. I think it was after I left.

11:39:54 2 Q. Okay.

11:39:55 3 A. And that's when I got a call from Adobe's
11:40:01 4 counsel.

11:40:01 5 Q. Well, just so we're clear, there is no
11:40:04 6 particular -- at least I understand that the Department
11:40:06 7 of Justice investigation began with civil investigative
11:40:11 8 demands in March of 2009.

11:40:14 9 A. I -- I left in 2007. So I was long gone.

11:40:17 10 Q. So to the best of your recollection, did you
11:40:22 11 learn about the Department of Justice investigation that
11:40:26 12 I've been discussing after you left Adobe?

11:40:29 13 A. Yes.

11:40:30 14 Q. Now, did you, in connection, though, with
11:40:33 15 Adobe's response to the Department of Justice
11:40:35 16 investigation -- were you asked to provide any
11:40:38 17 information to lawyers about discussions you had made or
11:40:46 18 discussions you'd had with Steve Jobs?

11:40:47 19 A. I was asked a number of questions, yes.

11:40:49 20 Q. Were you asked those by Adobe lawyers?

11:40:52 21 A. Adobe's counsel. Adobe's external counsel.

11:40:54 22 Q. Fair enough. Did you speak with the Department
11:41:00 23 of Justice in connection with that investigation?

11:41:05 24 A. No.

11:41:06 25 Q. So, for example, were you ever -- did you ever

11:43:40 1 just mentioned?

11:43:44 2 MR. MITTELSTAEDT: The what?

11:43:45 3 BY MR. SAVERI:

11:43:45 4 Q. The provision that you just mentioned.

11:43:48 5 Mr. Chizen, I think you just told me that in preparation
11:43:51 6 for the deposition today, you looked at some -- a section
11:43:54 7 of a larger document.

11:43:55 8 A. Yes.

11:43:56 9 Q. And my question is, does this document which
11:43:57 10 I've handed to you contain that -- the section that you
11:44:00 11 just referred to?

11:44:02 12 A. If I could go to the bathroom, first --

11:44:05 13 MR. SAVERI: Please. Let's take a break.

11:44:08 14 THE WITNESS: Yes.

11:44:14 15 THE VIDEOGRAPHER: We are now off the record at
11:44:17 16 11:44.

11:44:18 17 (Recess was taken.)

11:47:23 18 THE VIDEOGRAPHER: We are now on the record at
11:47:23 19 11:47.

11:47:25 20 BY MR. SAVERI:

11:47:26 21 Q. Let me withdraw the last question I asked and
11:47:28 22 let me ask you this question.

11:47:29 23 Do you have Exhibit 1147 in front of you?

11:47:31 24 A. Yes, I do.

11:47:32 25 Q. Did you have any role in its preparation?

11:47:38 1 A. Other than a quick conversation with Adobe's
11:47:42 2 outside legal firm on just -- in general, but not in the
11:47:51 3 preparation of this document.

11:47:52 4 Q. So did you see this -- review this document in
11:47:56 5 any fashion before it was submitted to the Department of
11:47:58 6 Justice?

11:47:59 7 A. No, I did not.

11:48:07 8 Q. I'm going to come back to that. You can put it
11:48:10 9 aside for now.

11:48:16 10 Let me hand you what has previously been marked
11:48:20 11 as Exhibit 1016 in this case. This is Apple's submission
11:48:26 12 to the Department of Justice in connection with the
11:48:30 13 Department of Justice's investigation.

11:48:32 14 The question I have for you is, have you ever
11:48:34 15 seen this before?

11:48:35 16 A. Unless it was the brief document in which I
11:48:37 17 looked at, no.

11:48:38 18 Q. Okay. Did you provide any information to any
11:48:50 19 Apple lawyers in connection with their preparation of
11:48:52 20 submission -- in the preparation of their submission to
11:48:55 21 the DOJ?

11:48:56 22 A. No, I did not.

11:48:58 23 Q. You can put that aside.

11:49:23 24 Did Apple and Adobe have an agreement that
11:49:27 25 limited the hiring of those -- of the two companies'

11:49:34 1 employees or vice versa?

11:49:36 2 A. Steve Jobs and I had a verbal understanding.

11:49:41 3 Q. Did -- did Bell Canada and Adobe have an
11:49:47 4 agreement that limited the hiring of those companies'
11:49:52 5 employees or vice versa?

11:49:55 6 A. As I now understand it, yes.

11:49:57 7 Q. Did you have any role in reaching that
11:49:58 8 agreement?

11:49:59 9 A. I -- in reaching the agreement, no; approving
11:50:01 10 them on a list, yes.

11:50:11 11 Q. Now, we talked about EFI a little bit earlier.
11:50:16 12 But let me make sure it's clear. Did Adobe have an
11:50:19 13 agreement with EFI that limited the hiring of those
11:50:22 14 companies' employees or vice versa?

11:50:25 15 A. I agreed to a non-solicitation with the CEO.

11:50:33 16 Q. And did Adobe and EMC have an agreement that
11:50:36 17 limited the hiring of those companies' employees or vice
11:50:39 18 versa?

11:50:40 19 A. I verbally agreed with the CEO not to solicit
11:50:46 20 their employees actively.

11:50:48 21 Q. Did Adobe have an agreement with Four Points
11:50:53 22 Solutions, Limited that limited the hiring of Adobe and
11:50:56 23 that company's employees?

11:50:59 24 A. If they are on the list, yes, but I'm not even
11:51:01 25 sure who they are.

11:51:02 1 Q. Did Adobe have a similar -- or strike that.

11:51:04 2 Did Adobe have an agreement with the New
11:51:07 3 Toronto Group that limited the hiring of those company's
11:51:11 4 employees or vice versa?

11:51:13 5 A. I don't know who they are, but if they are on
11:51:14 6 the list, then I -- then they did.

11:51:16 7 Q. How about Oracle, did Adobe and Oracle have an
11:51:20 8 agreement that limited the hiring of those companies'
11:51:21 9 employees?

11:51:22 10 A. Not that I'm aware of.

11:51:27 11 Q. Service Source, did Adobe and Service Source
11:51:29 12 have an agreement that limited the hiring of those
11:51:32 13 companies's employees or vice versa?

11:51:37 14 A. To the best of my knowledge, yes.

11:51:38 15 Q. How about SyncroQuest, did Adobe and
11:51:41 16 SyncroQuest have an agreement that limited the hiring of
11:51:44 17 those companies' employees?

11:51:44 18 A. I don't know who they are. But if they are on
11:51:47 19 the list, I suspect so.

11:51:48 20 Q. Okay. How about the University of
11:51:50 21 San Francisco, did Adobe and the University of
11:51:54 22 San Francisco have an agreement?

11:51:55 23 A. Not that I'm aware of.

11:51:58 24 Q. Do you know if Dr. Geschke made such an
11:52:00 25 agreement?

11:53:39 1 A. Yes.

11:53:39 2 Q. And with whom did you make it?

11:53:41 3 A. With Guy Gecht, the chief executive officer.

11:53:45 4 Q. And do you recall when you made that agreement?

11:53:47 5 A. No.

11:53:51 6 Q. And what was the agreement?

11:53:52 7 A. That we would not actively solicit his

11:53:55 8 employees.

11:53:59 9 Q. And when you say "not actively solicit" their

11:54:01 10 employees, what does that mean?

11:54:04 11 A. Our recruiters would keep them -- would not

11:54:06 12 proactively call an EFI employee to see if they were

11:54:10 13 interested in working for Adobe.

11:54:12 14 Q. Did Adobe from time to time maintain a list of

11:54:16 15 the companies with whom there were recruiting

11:54:22 16 restrictions?

11:54:23 17 A. There was one list that was put together to

11:54:25 18 clarify all the different discussions we might have had.

11:54:28 19 Q. Did that -- was that referred to as a

11:54:31 20 do-not-call list?

11:54:32 21 A. I don't know the -- I'd have to see the list to

11:54:35 22 see what it --

11:54:36 23 Q. Okay. Let me just -- let me show you what's

11:54:55 24 been marked previously as Exhibit 226.

11:55:00 25 Do you have that in front of you?

11:55:01 1 A. Yes, I do.

11:55:02 2 Q. And Exhibit 226 is a two-page document. The
11:55:11 3 first page is an email from someone named Natalie Kessler
11:55:14 4 to a number of individuals. On the back of it there is a
11:55:20 5 list that is entitled, "Talent acquisition, companies
11:55:23 6 that are off-limits, updated June 17, 2008."

11:55:28 7 Do you have that in front of you?

11:55:29 8 A. Yes, I do.

11:55:30 9 Q. Is that the list that you were referring to?

11:55:32 10 A. I was already gone at this point in time.

11:55:34 11 Q. Okay. Was there a -- do you recall a list, a
11:55:39 12 similar list having been prepared while you still were
11:55:44 13 the CEO of the company?

11:55:45 14 A. There was a similar list. I'm not sure if the
11:55:48 15 names would have been the same.

11:55:50 16 Q. Just in terms of your recollection, do you
11:55:51 17 recall a list that -- that resembled this, the way it
11:55:56 18 looked?

11:55:56 19 A. Yes, I did.

11:55:57 20 Q. And it had identified companies and some
11:56:02 21 description of the agreements.

11:56:04 22 A. Yes.

11:56:04 23 Q. Did you help prepare that list?

11:56:06 24 A. I approved the list.

11:56:08 25 Q. Who prepared the list?

11:56:14 1 A. I don't know. I'm assuming the HR department.

11:56:16 2 Q. Do you recall when that list was first

11:56:18 3 prepared?

11:56:18 4 A. No.

11:56:20 5 Q. Was it a list that was updated on a regular

11:56:23 6 basis?

11:56:25 7 A. I only recall reviewing one list once.

11:56:28 8 Q. Do you recall when you -- when that was?

11:56:30 9 A. No.

11:56:31 10 Q. And do you recall who prepared it?

11:56:34 11 A. It would have been -- it -- I don't recall who.

11:56:38 12 Q. Was it Theresa Townsley?

11:56:40 13 A. I don't -- it could have been Theresa, could

11:56:44 14 have been Donna Morris, it all depended on the timing.

11:56:46 15 It -- I would have expected it to come from the HR

11:56:49 16 organization.

11:56:49 17 Q. So is it fair to say that your recollection is

11:56:51 18 it was generated somewhere within the -- the HR

11:56:54 19 organization?

11:56:56 20 A. That would have been -- that's my expectation.

11:56:58 21 Q. And you're not sure, as you sit here today,

11:57:02 22 whether it was Theresa Townsley or Donna Morris --

11:57:06 23 A. No.

11:57:06 24 Q. -- who was the head of the -- that organization

11:57:08 25 at that time that it was prepared?

12:18:38 1 we're recruiting Ron Okamoto?

12:18:43 2 A. Not that I recall. It would surprise me if
12:18:46 3 Steve would tell me ahead of time he was recruiting
12:18:49 4 somebody.

12:18:49 5 Q. So, for example, he -- Steve Jobs didn't -- did
12:18:52 6 Steve Jobs call you and ask your permission to recruit or
12:18:55 7 hire Ron Okamoto?

12:18:57 8 A. Not that I recall.

12:18:58 9 Q. Okay. Did -- to the best of your knowledge,
12:19:02 10 did anybody at Apple talk to anybody at Adobe and ask for
12:19:06 11 permission to hire Ron Okamoto?

12:19:08 12 A. It's possible. I don't know.

12:19:09 13 Q. But you have no personal knowledge of that.

12:19:11 14 A. No personal recollection.

12:19:13 15 Q. Did -- did Jeff -- did Steve Jobs call you and
12:19:18 16 let you know that they were recruiting Susan Prescott?

12:19:21 17 A. I don't know.

12:19:22 18 Q. Did he ask you for permission to speak with
12:19:26 19 Susan Prescott?

12:19:27 20 A. I do not know.

12:19:28 21 Q. Okay. Did he ask you permission to hire Susan
12:19:31 22 Prescott?

12:19:32 23 A. I do not remember.

12:19:33 24 Q. Do you know if anybody who worked for Steve
12:19:34 25 Jobs at Apple talked to anybody at Adobe and discussed

12:19:38 1 the hiring of Susan Prescott?

12:19:39 2 A. I do not know.

12:19:43 3 Q. And do you recall whether -- whether either of
12:19:47 4 those individuals left before you reached the agreement
12:19:50 5 with Mr. Jobs?

12:19:53 6 A. I don't know.

12:19:54 7 Q. Okay.

12:19:59 8 A. This was early. When did Ron Okamoto and Susan
12:20:04 9 Prescott?

12:20:05 10 Q. It's not -- it's not altogether clear to me,
12:20:08 11 but it is, like, 2002, 2003, and the agreement was 2005.

12:20:13 12 A. Yeah.

12:20:14 13 Q. So I was just trying to get the sequence right.

12:20:17 14 MR. MITTELSTAEDT: I object as to form.

12:20:18 15 THE WITNESS: Yeah, because at least --

12:20:20 16 MR. SAVERI: I'll show you some documents. I
12:20:25 17 shouldn't have a conversation with you about that. So
12:20:26 18 let me -- let me respect that and follow the rules.

12:20:28 19 THE WITNESS: Thank you.

12:20:36 20 BY MR. SAVERI:

12:20:39 21 Q. Who first broached the subject of an agreement
12:20:42 22 regarding recruiting between Apple and Adobe?

12:20:47 23 A. I believe that would be Mr. Jobs.

12:20:48 24 Q. Okay. And can you tell me what happened. Did
12:20:53 25 he call you?

12:20:54 1 A. Yeah, I -- I don't remember. It would have
12:20:56 2 been a phone call. It was not something that was high on
12:20:59 3 my radar. When Susan and Ron left, I understood why they
12:21:03 4 were leaving, and I was -- I didn't like the fact they
12:21:06 5 were leaving, but I -- well, I understood why they were
12:21:11 6 leaving; and it was in their best interests and their
12:21:15 7 careers.

12:21:17 8 I would have never called Steve and said, let's
12:21:19 9 put an agreement in place. That would have been Steve
12:21:22 10 calling me.

12:21:23 11 Q. Okay. So was the agreement between Adobe and
12:21:32 12 Apple Steve Jobs' idea?

12:21:34 13 A. Yes.

12:21:43 14 Q. In that first phone call, what did Steve Jobs
12:21:47 15 tell you?

12:21:47 16 A. I don't remember the phone call.

12:21:49 17 Q. Okay. Do you remember there was a phone call?

12:21:53 18 A. I'm speculating that the way -- in answering
12:21:57 19 your question before, you asked me, how did Steve
12:22:00 20 approach me? I said, probably by phone, because it
12:22:03 21 wouldn't have been Steve's style to send me an email
12:22:07 22 starting with that conversation.

12:22:11 23 Q. What -- what led to that phone call?

12:22:13 24 A. I don't know. I -- I can certainly speculate.

12:22:19 25 Q. Well, tell me your best recollection.

12:22:20 1 MR. MITTELSTAEDT: Objection to form.

12:22:22 2 THE WITNESS: Speculation, not recollection; he
12:22:24 3 probably wanted to hire Ron Okamoto and Susan Prescott,
12:22:28 4 so he wanted to feel me out as to that, but I don't know.
12:22:32 5 Or maybe it was right after. I -- I don't know.

12:22:37 6 BY MR. SAVERI:

12:22:38 7 Q. So in the first conversation where the subject
12:22:40 8 of the agreement came up between you and Steve Jobs, did
12:22:45 9 you and he discuss any particular persons?

12:22:49 10 A. I don't know. I don't remember.

12:22:53 11 Q. Now, at the -- well, let me go through the
12:23:10 12 sequence. After you received the phone call from Steve
12:23:19 13 Jobs, what did you do?

12:23:26 14 MR. MITTELSTAEDT: Object to form.

12:23:27 15 THE WITNESS: I don't know. I suspect I agreed
12:23:30 16 to it.

12:23:30 17 BY MR. SAVERI:

12:23:31 18 Q. Did you -- before you agreed to it, did you
12:23:33 19 talk with anybody at Adobe?

12:23:36 20 A. I -- I don't recall.

12:23:37 21 Q. Okay. So at that time, what was Mr. Narayen's
12:23:42 22 job? Was he the president?

12:23:43 23 A. I don't know the timing of the first call, so I
12:23:47 24 don't know whether he was president, whether he was head
12:23:49 25 of engineering at that time. I -- I don't recall.

12:29:50 1 Q. Okay. So you don't recall whether he said it
12:29:55 2 was a good idea or a bad idea or he was indifferent?

12:30:00 3 A. No.

12:30:02 4 Q. And did you also speak on the telephone to
12:30:05 5 Theresa Townsley?

12:30:07 6 A. I don't know.

12:30:08 7 Q. Okay. One way or the other.

12:30:10 8 A. I just don't remember.

12:30:12 9 Q. Did you -- did you speak on the telephone with
12:30:14 10 anybody else --

12:30:15 11 A. I don't remember.

12:30:16 12 Q. -- at Adobe?

12:30:17 13 A. I don't remember.

12:30:18 14 Q. Okay. Did you talk with any of the lawyers?

12:30:20 15 A. That would be attorney-client privilege.

12:30:22 16 Q. Well, I'm just asking whether you talked with
12:30:24 17 an attorney at Adobe after you received the email.

12:30:28 18 A. I always speak to the attorneys at Adobe.

12:30:32 19 MR. MITTELSTAEDT: I'm going to instruct him
12:30:33 20 not to answer, move to strike the answer on the grounds
12:30:36 21 of attorney-client privilege.

12:30:38 22 BY MR. SAVERI:

12:30:45 23 Q. Let me make sure the record is clear about
12:30:47 24 this.

12:30:48 25 After you received the email from Mr. Jobs, did

12:30:52 1 you consult with Adobe in-house attorneys?

12:30:55 2 A. I didn't --

12:30:56 3 MR. MITTELSTAEDT: Just a second. I instruct
12:30:57 4 you not to answer. Attorney-client privilege.

12:30:59 5 MR. SAVERI: That's fine.

12:31:00 6 THE WITNESS: Okay.

12:31:00 7 BY MR. SAVERI:

12:31:14 8 Q. After you received the email from Steve Jobs,
12:31:17 9 did you speak to anybody else at Adobe?

12:31:21 10 A. I do not recall who I spoke with.

12:31:23 11 Q. Okay. Did you ever speak with Dr. Warnock or
12:31:27 12 Dr. Geschke about this agreement after you had received
12:31:30 13 the email from Steve Jobs?

12:31:32 14 A. If I did, I don't remember.

12:31:33 15 Q. Okay. What happened next? After you spoke
12:31:41 16 with Mr. Narayen, did you communicate again with Mr. Jobs
12:31:46 17 about this?

12:31:46 18 A. There was a series of emails that I reviewed,
12:31:52 19 and that was the discussion I had with him, the email
12:31:55 20 discussion back and forth.

12:31:57 21 Q. Did you communicate orally with Steve Jobs
12:32:04 22 about the agreement after you received the email from --

12:32:08 23 A. I don't remember.

12:32:11 24 Q. How many telephone calls or conversations do
12:32:14 25 you recall having with Steve Jobs about this subject in

12:32:18 1 2005?

12:32:19 2 A. I don't know.

12:32:21 3 Q. I think you said you remember there was --

12:32:23 4 there was one.

12:32:24 5 A. There was -- I said -- it was not 2005. I said

12:32:30 6 there was a -- we had a verbal agreement.

12:32:32 7 Q. Okay.

12:32:33 8 A. Sometime prior to the email exchange. I do not

12:32:35 9 recall when that was --

12:32:37 10 Q. Okay.

12:32:37 11 A. -- and the form in which it took place.

12:32:40 12 Q. Okay. And so when -- there was a point in 2005

12:32:43 13 when you received an email from Steve Jobs.

12:32:46 14 A. That's correct.

12:32:47 15 Q. And -- that referred to the --

12:32:51 16 A. Agreement we had.

12:32:53 17 Q. Did -- did you at that time have any telephone

12:32:57 18 conversations with Steve Jobs?

12:32:59 19 A. I might have. But I don't remember.

12:33:01 20 Q. And as you sit here today, do you recall

12:33:03 21 whether it was one or more or anything about --

12:33:07 22 A. I don't recall any, but there could have been a

12:33:10 23 phone call. I tried to forget the phone calls with Steve

12:33:16 24 Jobs.

12:33:23 25 MR. MITTELSTAEDT: Let the record reflect

12:33:24 1 laughter.

12:33:26 2 MR. SAVERI: And some -- some modicum of mirth.

12:33:30 3 Okay.

12:33:40 4 MR. MITTELSTAEDT: I'm told the food is here,
12:33:41 5 whenever you want to break.

12:33:43 6 MR. SAVERI: Let me just do a couple of other
12:33:44 7 things, and then we'll take a break.

12:33:46 8 THE WITNESS: Yes.

12:33:46 9 BY MR. SAVERI:

12:33:54 10 Q. Did the agreement that you reached with Steve
12:33:56 11 Jobs provide that neither company would recruit or
12:34:00 12 solicit each other's employees?

12:34:04 13 A. Would actively, proactively recruit or solicit.

12:34:10 14 Q. And was the agreement mutual?

12:34:16 15 A. That was my understanding.

12:34:18 16 Q. And did the agreement that you reached apply to
12:34:21 17 all employees at Adobe and Apple?

12:34:27 18 A. The email communication clarified what we
12:34:31 19 agreed to, which was all employees at Apple and Adobe.

12:34:36 20 Q. Regardless of job title, function, role, or
12:34:39 21 salary?

12:34:40 22 A. That was my understanding of what I agreed to.

12:34:42 23 Q. And it was not limited to any particular
12:34:44 24 projects on which Adobe and Apple were collaborating.

12:34:48 25 A. That is correct.

12:34:50 1 Q. And the agreement wasn't limited by geography.

12:34:53 2 A. That is correct.

12:34:54 3 Q. And therefore applied to both companies'

12:34:57 4 worldwide operations in total?

12:35:01 5 A. That was my understanding in my agreement with

12:35:03 6 Steve.

12:35:04 7 Q. And to your knowledge, did that agreement that

12:35:05 8 you reached with Steve Jobs have any time limitation?

12:35:14 9 A. It was, we agreed, and that was the extent of

12:35:17 10 the conversation.

12:35:17 11 Q. And so that agreement -- strike that.

12:35:32 12 Who did you tell at Adobe about the agreement

12:35:35 13 you reached?

12:35:38 14 A. At a minimum Shantanu Narayen and head of HR.

12:35:42 15 Q. Okay. Anybody else that you recall?

12:35:43 16 A. I don't recall.

12:35:54 17 Q. Well, is there anybody else that you recall

12:35:57 18 communicating it to, either by name or by job title or

12:36:00 19 description?

12:36:01 20 A. No.

12:36:02 21 Q. Okay. Did you tell, for example, the people

12:36:10 22 who were collaborating with Apple?

12:36:12 23 A. I -- I don't remember.

12:36:14 24 Q. Well, did you broadly disseminate or inform

12:36:33 25 people at Adobe of the agreement you reached with Steve

12:36:36 1 Jobs?

12:36:40 2 A. I didn't keep it a secret. I'm not sure what
12:36:46 3 the definition of the word "broad" is. I would tell
12:36:49 4 whoever asked me, do we have an agreement with Apple not
12:36:52 5 to proactively solicit employees, and vice versa, and I
12:36:56 6 would be very open and upfront about it.

12:36:59 7 Q. So if someone asked you about it, you -- you'd
12:37:01 8 give them the correct information.

12:37:03 9 A. That's correct.

12:37:03 10 Q. But if they didn't ask you, you didn't provide
12:37:06 11 that information.

12:37:07 12 A. I didn't send out a broad communication, if
12:37:10 13 that's what you're asking.

12:37:12 14 Q. That's right. But you did inform at least the
12:37:14 15 top of the HR organization --

12:37:16 16 A. Yes.

12:37:16 17 Q. -- at the company?

12:37:17 18 A. And it's -- yes, I did, and it's possible they
12:37:20 19 did a broad communication.

12:37:21 20 Q. Well, did you -- you informed the person who
12:37:26 21 was at the top of the HR operation in order that she,
12:37:30 22 because it was either she --

12:37:31 23 A. Both shes.

12:37:32 24 Q. -- both shes, so that -- because in order that
12:37:33 25 she would know about the agreement, correct?

13:18:11 1 you were the CEO at Adobe?

13:18:13 2 A. I think so.

13:18:13 3 Q. Did you have any other email address that you
13:18:15 4 used for business?

13:18:16 5 A. I don't believe so.

13:18:17 6 Q. Do you recognize Steve Jobs' email address?

13:18:19 7 A. Yes.

13:18:19 8 Q. And was that the email address you used to
13:18:22 9 communicate with him via email?

13:18:24 10 A. Yes.

13:18:24 11 Q. Okay. Now, if you look at Exhibit 223, it
13:18:30 12 looks like the first time you appear in this chain of
13:18:34 13 communication is the email from Mr. Jobs to you, which is
13:18:38 14 at the bottom of the first page, dated May 26, 2005, at
13:18:42 15 9:36 a.m. Do you see that?

13:18:46 16 A. Yes.

13:18:50 17 Q. Now, let me read it to you. He writes,
13:18:52 18 "Bruce," that is you, right?

13:18:54 19 A. That is me.

13:18:54 20 Q. Okay. "Adobe is recruiting from Apple.
13:18:57 21 They've hired one person already and are calling lots
13:19:00 22 more. I have a standing policy with our recruiters that
13:19:04 23 we don't recruit from Adobe. Seems you have a different
13:19:08 24 policy. One of us must change our policy. Please let us
13:19:12 25 know who. Steve."

13:19:15 1 And then he writes, "Here is one of the many
13:19:17 2 pings we've gotten from Adobe." If you turn over to the
13:19:21 3 next page, it looks like he at that point is attaching
13:19:25 4 something from somebody named Jerry Sastri to somebody
13:19:29 5 named bereskin@apple. Are you with me?

13:19:34 6 A. Yeah, I see it.

13:19:35 7 Q. So let me ask you first, the email from
13:19:37 8 Mr. Jobs to you on May 26, 2005, was that the first email
13:19:40 9 communication you received from him regarding the
13:19:49 10 recruiting policy or recruiting policy agreement between
13:19:56 11 Adobe and Apple?

13:19:57 12 A. No. As you can see in the above sentence, I
13:20:00 13 talk about what I thought we agreed to previously.

13:20:04 14 Q. Okay. So it's your recollection that -- that
13:20:08 15 there was another email communication that preceded this.

13:20:12 16 A. Not necessarily email. A communication which
13:20:16 17 could have been verbal.

13:20:18 18 Q. Okay. So just so I'm clear, it's your
13:20:21 19 recollection that there was a communication between you
13:20:23 20 and Mr. Jobs about this subject.

13:20:26 21 A. About which subject?

13:20:27 22 Q. About the -- was there a communication -- prior
13:20:30 23 to May 26, 2005, Thursday, 9:36 a.m., did you communicate
13:20:36 24 with Mr. Jobs regarding an agreement between Apple and
13:20:43 25 Adobe not to recruit each others employees?

13:20:47 1 A. I believe so, yes.

13:20:49 2 Q. And as you sit here today, do you recall
13:20:51 3 whether that communication, that prior communication, was
13:20:54 4 oral, by telephone, or in writing?

13:20:58 5 A. It was probably oral.

13:21:00 6 Q. Okay. And just so I can try to place it, do
13:21:02 7 you recall how -- by how much -- let me ask a better
13:21:07 8 question.

13:21:08 9 Do you recall when that communication was, now
13:21:11 10 that you've had a chance to look at this?

13:21:13 11 A. It was -- it was probably right prior to when
13:21:19 12 Ron Okamoto and then Susan Prescott left, because I
13:21:22 13 remember how angry I was that he had recruited them,
13:21:27 14 which I felt violated at the time, because I thought we
13:21:31 15 had an agreement in place. So I suspect it was right
13:21:34 16 prior to that time whenever that was.

13:21:40 17 Q. Okay. Now, do you know who Jerry Sastri is?

13:21:51 18 A. No.

13:21:55 19 Q. At this time, did you know that there were
13:21:59 20 folks at Apple -- excuse me -- that there were folks at
13:22:02 21 Adobe recruiting into Apple?

13:22:06 22 A. I wasn't aware of it. I wasn't aware of it,
13:22:10 23 nor did I care.

13:22:11 24 Q. Okay. Well, but my question was whether you
13:22:13 25 were aware of that.

13:22:14 1 A. I was not aware of it one way or the other.

13:22:18 2 Q. And it looks like from the prior communication
13:22:21 3 that Theresa Townsley was the head of HR at the time.

13:22:26 4 A. Yes.

13:22:26 5 Q. Did -- prior to this communication with
13:22:28 6 Mr. Jobs, did Theresa Townsley ever advise you that there
13:22:31 7 were people in her organization that were recruiting into
13:22:34 8 Apple?

13:22:35 9 A. It's possible.

13:22:36 10 Q. But my question is, do you have any
13:22:38 11 recollection?

13:22:39 12 A. I have no recollection.

13:22:40 13 Q. Okay. So focusing on Exhibit 223 again, when
13:22:47 14 you received the email from -- from Mr. Jobs on May 26th,
13:22:50 15 at 9:36 in the morning, when you received that email,
13:23:03 16 what did you do?

13:23:03 17 A. The first thing I did was to think about how am
13:23:05 18 I going to placate this guy and get him off my back so he
13:23:13 19 doesn't call me again.

13:23:15 20 Q. Okay.

13:23:15 21 A. That was the first thing.

13:23:16 22 Q. Did you come up with a plan for accomplishing
13:23:19 23 that?

13:23:23 24 A. I probably had a discussion with Shantanu
13:23:27 25 and/or Theresa about it.

14:14:07 1 Narayan or Theresa Townsley tell you that they supported
14:14:11 2 the proposal that you had made to Steve Jobs which was a
14:14:14 3 more limited agreement that had to do only with the more
14:14:19 4 senior folks?

14:14:25 5 A. Based on what Theresa -- based on Theresa
14:14:34 6 Townsley's email to Shantanu and myself, it sounded like
14:14:38 7 Shantanu was in complete agreement with me of no active
14:14:41 8 soliciting of any employee.

14:14:43 9 Q. Okay.

14:14:45 10 A. With a heads-up on senior level approaching
14:14:48 11 either company.

14:14:49 12 Q. So Shantanu wrote to you, and then shortly
14:14:52 13 thereafter -- well, not shortly thereafter, later in the
14:15:06 14 day on the 27th, Theresa Townsley writes back to you, and
14:15:09 15 writes, "Just to clarify, are you both saying not to
14:15:13 16 solicit any employees at any level?" Right?

14:15:15 17 A. Right. Yes.

14:15:15 18 Q. I won't read the -- okay. Then she writes,
14:15:22 19 "Also, what is the agreement between you, Bruce, and
14:15:25 20 Steve if Apple employees come to us directly? This is
14:15:28 21 where I thought you two agreed that you would give each
14:15:30 22 other a call if they were at the senior level." Do you
14:15:34 23 see that?

14:15:35 24 A. Yes.

14:15:35 25 Q. At this time had you reached an agreement with

14:15:37 1 Apple, or Steve Jobs in particular, to do that, that is
14:15:41 2 that you would give each other a call if the -- the
14:15:45 3 recruited employees were at the senior level?

14:15:49 4 A. Yes. I don't think neither one of us thought
14:15:51 5 through or discussed the details of what that would look
14:15:54 6 like.

14:15:54 7 Q. Okay. But your answer was yes?

14:15:57 8 A. Yes. Yes.

14:15:58 9 Q. Okay. Now, then, at 8:52 p.m. you wrote back
14:16:04 10 Theresa Townsley and Shantanu Narayen, "No active
14:16:07 11 soliciting of any employees, heads up on senior level
14:16:10 12 approaching either company." Do you see that?

14:16:12 13 A. Yes.

14:16:13 14 Q. Okay. And so that was your understanding of
14:16:19 15 what -- well, does that email accurately record what
14:16:25 16 you --

14:16:27 17 A. And Steve agreed to.

14:16:29 18 Q. Yes. Now, Shantanu then writes back and says,
14:16:38 19 "I agree," at 8:56. Do you see that?

14:16:43 20 A. Yes.

14:16:43 21 Q. Now, let's go to Exhibit 223. Are you with me?

14:16:51 22 A. Yes.

14:16:51 23 Q. Up at the top of -- on the first page, there is
14:16:55 24 an email that you wrote to Steve Jobs. Do you see that?

14:16:58 25 A. Yes.

14:16:59 1 Q. And if the date stamps are correct, you wrote
14:17:02 2 that on Friday, May 27th, 2005, at approximately 8:53 in
14:17:07 3 the evening.

14:17:08 4 A. Correct.

14:17:09 5 Q. Okay. And you write, "I'd rather agree not to
14:17:12 6 actively solicit any employee from either company. If
14:17:15 7 employee proactively approaches then it's acceptable. If
14:17:19 8 you are in agreement, I will let my folks know."

14:17:22 9 Did you write that?

14:17:22 10 A. Yes.

14:17:23 11 Q. Is that an accurately -- well, does that
14:17:26 12 indicate your assent to that agreement?

14:17:28 13 A. Yes.

14:17:28 14 Q. Okay. Now, if you flip to Exhibit 224 --

14:17:37 15 A. I'm with you.

14:17:37 16 Q. -- do you recall if you had received Shantanu's
14:17:41 17 email to you before you had gotten back to Steve? And I
14:17:45 18 ask that because the time stamp indicates it is slightly
14:17:48 19 later.

14:17:49 20 A. I don't know.

14:17:51 21 Q. Okay. Now, going to Exhibit 223, which was
14:18:04 22 your -- which concludes with your email to Steve Jobs, do
14:18:08 23 you see that?

14:18:08 24 A. Yes.

14:18:09 25 Q. Did he respond in writing to that?

14:18:13 1 A. If he did, it should have been on the server.

14:18:17 2 Q. Okay.

14:18:19 3 A. But I don't know.

14:18:20 4 Q. Well --

14:18:24 5 A. I don't know.

14:18:25 6 Q. Okay. Now, going back to Exhibit 223, there

14:18:38 7 are some additional communications between you,

14:18:40 8 yourself -- I mean you, Shantanu Narayen and Theresa

14:18:44 9 Townsley. Do you see that?

14:18:45 10 A. Yes.

14:18:46 11 Q. Okay. First Theresa Townsley writes, "And if

14:18:56 12 an Adobe employee refers" --

14:18:57 13 MR. MITTELSTAEDT: Excuse me. 224?

14:18:58 14 BY MR. SAVERI:

14:18:59 15 Q. Excuse me. Exhibit 224, thank you.

14:19:01 16 Theresa writes, "And if an Adobe employee

14:19:04 17 refers an Apple employee through a referral program, are

14:19:07 18 you doing -- are you okay with that?" Do you see that?

14:19:10 19 A. Yes.

14:19:11 20 Q. And then -- and then Shantanu says, "I think

14:19:13 21 the spirit has to be that we don't initiate contact with

14:19:17 22 Apple employees even through our employees. If an Adobe

14:19:21 23 employee is approached by an Apple employee, I think it's

14:19:24 24 okay to pass it on." Do you see that?

14:19:26 25 A. Yes.

14:28:35 1 Q. Now, Exhibit 1805 is a document that Adobe
14:28:38 2 produced, it has the Bates number Adobe_00853 to 854.
14:28:43 3 I'd like to take -- I'd like you to take a moment to read
14:28:48 4 it. I'm really go to just ask you to focus in particular
14:28:51 5 on the part of the email that begins in the -- towards
14:28:53 6 the bottom of the first page, which is the -- the email
14:28:57 7 from owner E-Team to E-Team, and the attached email from
14:29:03 8 Theresa Townsley to Donna Morris, Mr. Narayen, yourself,
14:29:08 9 and Gloria Stinson. But please take a moment to look at
14:29:13 10 the email.

14:29:31 11 A. Okay.

14:29:32 12 Q. Okay. So first, the email from Theresa
14:29:35 13 Townsley to Donna Morris, Friday, May 27th, 2005, which
14:29:40 14 is at the bottom of the email, is the email that you
14:29:43 15 edited before sending it to Steve Jobs, correct?

14:29:45 16 A. It looks that way, yes.

14:29:47 17 Q. Is the email that is at the bottom of this
14:29:49 18 document the full and complete email that you received
14:29:51 19 from Theresa Townsley, to the --

14:29:54 20 A. To the best of my knowledge --

14:29:55 21 Q. -- best of your recollection?

14:29:55 22 A. -- yes.

14:29:56 23 Q. And now, Theresa Townsley writes, "Bruce and
14:30:22 24 Steve Jobs are in agreement that we are not to solicit
14:30:24 25 ANY," all caps, "Apple employees and vice versa." Do you

14:30:28 1 see that?

14:30:29 2 A. Yes.

14:30:30 3 Q. Does that correctly summarize the agreement you
14:30:32 4 described to them?

14:30:32 5 A. Yes.

14:30:33 6 Q. And then it also says, "It is okay if they come
14:30:35 7 to us through our referral program." That -- does that
14:30:37 8 refer to the referral program you discussed a few minutes
14:30:40 9 ago?

14:30:40 10 A. That is correct.

14:30:41 11 Q. And then she goes on to say, "However, if it
14:30:44 12 looks like we have an Apple employee as a candidate for a
14:30:47 13 senior role at Adobe, director and VP, we need to let
14:30:52 14 Bruce know so he can talk to Steve." Does that last
14:30:55 15 sentence accurately describe --

14:30:56 16 A. Yes.

14:30:56 17 Q. -- the agreement that you had with Steve?

14:30:58 18 A. Yes.

14:30:59 19 Q. Now, the -- the -- that email is attached by --
14:31:04 20 it look like Shantanu Narayen to the E-Team. Do you see
14:31:09 21 that?

14:31:10 22 A. Yes.

14:31:11 23 Q. And did you receive that email from him --

14:31:16 24 A. I was on the -- the E-Team email alias. I
14:31:20 25 would have received it, yes.

14:31:33 1 Q. Was that email the first time that the entire
14:31:36 2 E-Team was informed of the agreement you had reached with
14:31:40 3 Jobs?

14:31:40 4 A. I don't know, given that my E-Team meetings
14:31:43 5 tended to be on Monday mornings, and this all transpired
14:31:47 6 at the end of the previous week, I could speculate that
14:31:50 7 this was the first communication. But I don't know.

14:31:53 8 Q. Okay. Did you subsequently follow up with your
14:32:08 9 own email and correct anything about the way Shantanu
14:32:12 10 Narayen described the agreement?

14:32:14 11 A. Not that I recall.

14:32:22 12 Q. Now, subsequent to that email, if you look at
14:32:24 13 this document, there is a series of emails between Donna
14:32:27 14 Morris, Theresa Townsley, Gloria Stinson, and Jeff
14:32:31 15 Vijungco. Do you see that?

14:32:32 16 A. Yes.

14:32:33 17 Q. Did you talk to any of these folks over the
14:32:34 18 weekend about their reactions to the agreement or any
14:32:37 19 steps they were taking to enforce it?

14:32:39 20 A. I don't believe so.

14:33:26 21 Q. As of this time, were you aware that Adobe was
14:33:28 22 in discussions with someone named Frank Casanova from
14:33:32 23 Apple?

14:33:33 24 A. As of which time?

14:33:34 25 Q. As of this time, May of 2005.

14:33:37 1 A. I -- I have vague memories of the name. I have
14:33:41 2 no idea where the name comes from, who he worked for, who
14:33:45 3 was recruiting him. I don't remember.

14:33:47 4 Q. Well, prior to May of 2005, did you have any
14:33:49 5 discussions with Steve Jobs about Adobe's efforts to hire
14:33:54 6 Frank Casanova?

14:33:56 7 A. Not that I remember or recall.

14:33:58 8 Q. For example, did Steve Jobs call you or send
14:34:01 9 you an email telling you, "stop it," or --

14:34:04 10 A. Not --

14:34:05 11 Q. -- or complaining about Frank -- what you were
14:34:06 12 doing with Frank Casanova?

14:34:08 13 A. Not that I recall.

14:34:21 14 Q. Did Adobe cease its efforts to recruit Frank
14:34:27 15 Casanova after you reached the agreement with Steve Jobs?

14:34:32 16 A. I don't remember who Frank Casanova is. I
14:34:35 17 don't recall who he is. I don't recall his situation.
14:34:39 18 So by no means can I answer that question.

14:34:41 19 Q. Okay. Subsequent to your agreement with Steve
14:34:57 20 Jobs, did you receive confirmation that you recall from
14:35:04 21 Theresa Townsley, Donna Morris, or anybody in that
14:35:07 22 organization that they had ceased their efforts with
14:35:10 23 respect to recruiting of Apple employees?

14:35:14 24 A. Are you talking about other than what's stated
14:35:16 25 in documents --

14:35:18 1 Q. Correct.

14:35:18 2 A. -- that you've already presented?

14:35:20 3 Q. Yeah.

14:35:20 4 A. Not that I recall.

14:35:21 5 Q. So for example, did it come up at an E-Team

14:35:24 6 meeting?

14:35:24 7 A. If it did, I don't recall it.

14:35:35 8 Q. Were there notes taken at E-Team meetings? Let

14:35:37 9 me ask a better question.

14:35:39 10 Were there minutes of E-Team meetings prepared?

14:35:41 11 A. There was a period of time where my assistant

14:35:44 12 would take notes of E-Team meetings.

14:35:47 13 Q. Okay. Do you know if this -- that period of

14:35:50 14 time included the period of time that --

14:35:54 15 A. I do not remember.

14:35:55 16 Q. Okay. I've handed you what has been previously

14:36:26 17 marked as Exhibit 230. Will you take a moment to review

14:36:34 18 that, please.

14:36:53 19 A. I've read it.

14:36:54 20 Q. Now, have you ever seen -- well, this document

14:37:00 21 appears to be an email from Jeff Vijungco to an email

14:37:09 22 distribution list or alias called "hire@adobe.com." Do

14:37:13 23 you see that?

14:37:14 24 A. Yes.

14:37:15 25 Q. Were you part of that alias or that list?

14:37:17 1 A. No.

14:37:17 2 Q. Okay. Now, this is dated Tuesday, May 21st,
14:37:23 3 2005. Do you see that?

14:37:24 4 A. Yes.

14:37:24 5 Q. And he writes --

14:37:27 6 MR. MITTELSTAEDT: May 31st.

14:37:29 7 MR. SAVERI: May 31st. Excuse me.

14:37:30 8 BY MR. SAVERI:

14:37:31 9 Q. "Hi, all, in recent discussions between our
14:37:34 10 E-Team and Apple's E-Team, the topic of recruiting one
14:37:38 11 another came up. Given our relationship with Apple, and
14:37:39 12 assuming our partnership may grow stronger, we have
14:37:43 13 reiterated the importance of not poaching from Apple
14:37:46 14 directly. Accordingly, this is increasingly more
14:37:49 15 sensitive for candidates at the director to VP level."

14:37:53 16 Do you see that?

14:37:54 17 A. Yes.

14:38:00 18 Q. Now, did Adobe's E-Team and Apple's E-Team
14:38:11 19 discuss this subject at this time, to the best of your
14:38:13 20 recollection?

14:38:13 21 A. I don't believe, other than Mr. Jobs and
14:38:16 22 myself, there was not a discussion between Adobe and
14:38:19 23 Apple regarding this matter.

14:38:22 24 Q. Okay.

14:38:22 25 A. During this time period.

14:38:23 1 Q. So you believe Mr. Vijungco is being inaccurate
14:38:29 2 when he talks about recent discussions between Adobe's
14:38:35 3 E-Team and Apple's E-Team?

14:38:38 4 A. Inaccurate?

14:38:39 5 Q. Inaccurate, yes.

14:38:40 6 A. Inaccurate.

14:38:43 7 Q. Did you tell Mr. Vijungco to send this email
14:38:46 8 describing the -- the agreement?

14:38:49 9 A. I do not believe so.

14:38:51 10 Q. Okay. Do you know if -- do you know if someone
14:38:57 11 else on the E-Team, for example, anybody that was
14:39:02 12 responsible for the HR function, instructed Mr. Vijungco
14:39:05 13 to send this?

14:39:06 14 A. I do not know.

14:39:08 15 Q. Do you know why he inaccurately described the
14:39:11 16 genesis of the agreement between you and Mr. Jobs?

14:39:16 17 A. I don't have the slightest idea.

14:39:19 18 Q. Okay. Did you tell him or anybody else at
14:39:22 19 Adobe to conceal that?

14:39:26 20 A. No.

14:39:27 21 Q. Okay. Did -- well, did you want the agreement
14:39:39 22 known outside of the HR department that was responsible
14:39:45 23 for enforcing the agreement?

14:39:47 24 A. I didn't care.

14:39:49 25 Q. You didn't care one way or the other.

14:39:51 1 A. I didn't care one way or the other. All I
14:39:53 2 wanted was to placate Steve.

14:39:57 3 Q. Well, you did care about following your
14:40:05 4 agreement with Mr. Jobs, didn't you?

14:40:07 5 A. I cared about him believing I was following the
14:40:11 6 agreement, not necessarily following the agreement.

14:40:14 7 Q. Okay. But if he learned that you were not
14:40:17 8 following the agreement, you expected to hear about it,
14:40:20 9 didn't you?

14:40:21 10 A. As long as I didn't know about it, and it came
14:40:28 11 to my attention afterwards, I was comfortable with him
14:40:31 12 finding out, because I could take the same tactic that he
14:40:35 13 would take with me, which is, I'll look into it and have
14:40:39 14 it stopped immediately.

14:40:40 15 Q. So if -- if you didn't -- you were comfortable
14:40:45 16 with maintaining a position of plausible deniability with
14:40:52 17 respect to this if Mr. Jobs subsequently found out about
14:40:55 18 it and you didn't know anything about what was going on?

14:40:59 19 A. To Mr. Jobs, yes.

14:41:14 20 Q. But you did expect and knew that if Mr. Jobs
14:41:18 21 did find out about it -- find out that Adobe was not
14:41:19 22 living up to its agreement, that you would hear about it
14:41:22 23 from him?

14:41:22 24 A. If he found out about it, yes.

14:41:25 25 Q. Was it your belief that he was particularly

14:41:29 1 sensitive to this issue?

14:41:33 2 A. It was always difficult to figure out what he
14:41:35 3 was particularly sensitive to on any given day or time.

14:41:38 4 Q. But -- but based on your communications with
14:41:40 5 him, the recruiting of talent from -- by other technology
14:41:45 6 companies away from Apple was something that he cared a
14:41:48 7 lot about. You knew that, didn't you?

14:41:50 8 A. Again, he was sensitive about many, many
14:41:53 9 topics, and it would vary on any given date and time. So
14:41:57 10 I can't tell you what he was overly sensitive to or not.
14:42:02 11 During that time period, between Wednesday, Thursday,
14:42:06 12 when he got the email, he reacted and responded -- and --
14:42:09 13 and contacted me, and you've seen the subsequent
14:42:14 14 communications between the two of us.

14:42:17 15 Whether that was a hot button for him or not, I
14:42:19 16 don't know.

14:42:20 17 Q. Well, was there ever a time that you can
14:42:23 18 remember where Steve Jobs was insensitive to other
14:42:26 19 companies' recruiting Apple folks away from Apple?

14:42:31 20 MR. MITTELSTAEDT: Object to form.

14:42:33 21 THE WITNESS: I don't know how to answer that
14:42:34 22 question. So can you try repeating it? I don't
14:42:39 23 understand it.

14:42:41 24 BY MR. SAVERI:

14:42:48 25 Q. Well, did you know that Steve Jobs believed

15:51:50 1 you to Jobs. Do you see that?

15:51:51 2 A. Yes.

15:51:52 3 Q. Did you write that to Mr. Jobs on or about the
15:51:53 4 date that's indicated here?

15:51:55 5 A. I assume so.

15:51:56 6 Q. Now, when you wrote to Mr. Jobs, you forwarded
15:52:04 7 an email that you had received from someone named Nabil
15:52:08 8 Hireche.

15:52:08 9 A. Hireche, yes.

15:52:11 10 Q. What was that -- is Nabil a man or a woman?

15:52:15 11 A. A man.

15:52:17 12 Q. What was Nabil Hireche's job at this time?

15:52:24 13 A. I don't know.

15:52:25 14 Q. Okay. Now, you forwarded to Jobs the email
15:52:30 15 that you received from Mr. Hireche. Do you see that?

15:52:33 16 A. Yes.

15:52:33 17 Q. And he writes about someone named D'Apra, or
15:52:38 18 "D'Apra." Do you see that?

15:52:40 19 A. Yes.

15:52:41 20 Q. And at this time in 2006 had the -- has the
15:52:46 21 acquisition of Macromedia closed?

15:52:50 22 A. I believe so.

15:52:51 23 Q. Okay. So at this time, if -- at this time the
15:52:57 24 Macromedia folks had been absorbed into Adobe, right? So
15:53:02 25 this person, Alessandro D'Apra was an employee of Adobe

15:53:08 1 at this time, right?

15:53:09 2 A. Assuming my dates are correct, yes.

15:53:11 3 Q. So did you understand that your agreement with
15:53:12 4 Jobs with respect to recruiting, if followed, applied to
15:53:19 5 people like Mr. D'Apra who worked in Italy?

15:53:23 6 A. I believe that the verbal agreement I had with
15:53:26 7 Steve applied to any Adobe employee, regardless of where
15:53:29 8 they came from.

15:53:30 9 Q. And so when you wrote to him and said, "Please
15:53:33 10 remind your folks of our arrangement," were you asking
15:53:38 11 him to follow the agreement he had reached with you?

15:53:42 12 A. Yes.

15:53:46 13 Q. Did you ever speak to him -- I'm sorry.

15:53:49 14 Did you ever speak on the telephone with Jobs
15:53:52 15 about this?

15:53:52 16 A. Not that I recall.

15:53:53 17 Q. Did he write back, do you recall?

15:53:54 18 A. Unless you have the email.

15:53:55 19 Q. I do not.

15:53:56 20 A. Then I do not believe he wrote back.

15:53:58 21 Q. Okay. I'm changing subjects. So I'm happy to
15:54:05 22 keep going forward or take a break.

15:54:07 23 A. Keep going.

15:54:08 24 Q. Okay. I don't -- frankly, I don't recall

15:54:26 25 whether I gave you another copy of this previously. But

15:54:29 1 this is Exhibit 1147, which is the white paper.

15:54:34 2 MR. MITTELSTAEDT: You did. We've been over
15:54:36 3 this.

15:54:43 4 MR. SAVERI: Well, okay. I've shown it to him.
15:54:44 5 I've got some more questions about it.

15:54:46 6 MR. MITTELSTAEDT: It is 1147.

15:54:47 7 MR. SAVERI: It still is. So either one you
15:54:48 8 want to use. I just had an extra copy of it.

15:54:51 9 MR. MITTELSTAEDT: Okay.

15:54:52 10 BY MR. SAVERI:

15:54:53 11 Q. I have some particular questions about some of
15:54:55 12 the -- the factual statements in here. Let me draw your
15:55:14 13 attention to the first -- bottom of the first page.

15:55:16 14 There is a footnote here that says, "We note," and
15:55:18 15 this -- again, this was submitted by Adobe, okay?

15:55:21 16 "We note, however, that the extent to which
15:55:23 17 this arrangement was filed has ebbed and flowed with the
15:55:29 18 company's relationship over time."

15:55:31 19 And, again, let me just make sure you have the
15:55:36 20 full context in mind. If you look at the second
15:55:39 21 paragraph that begins, "As we describe below," do you see
15:55:42 22 that?

15:55:43 23 A. Yes.

15:55:43 24 Q. It says, "As we describe below, the Adobe/Apple
15:55:46 25 non-solicitation agreement flowed from and furthered a

17:30:38 1 MR. SAVERI: I have just one follow-up
17:30:39 2 question.

17:30:39 3

17:30:39 4 FURTHER EXAMINATION

17:30:39 5 BY MR. SAVERI:

17:30:40 6 Q. With respect to the 2005 collaborations that
17:30:43 7 Mr. Mittelstaedt was just asking you about, can you
17:30:45 8 identify any of them which you would identify as
17:30:48 9 "significant" that were in place at the time of the 2005
17:30:53 10 discussions with you and Jobs?

17:30:54 11 A. If you were able to provide me with the
17:30:57 12 different operating system changes and the different
17:31:00 13 hardware changes that Apple was embarking on, and the
17:31:04 14 different product upgrades that Adobe was embarking on at
17:31:08 15 that point in time, I'm sure I could identify numerous
17:31:10 16 significant collaborations that were going on. But
17:31:12 17 unless I'm able to identify those, I can't do so.

17:31:16 18 MR. SAVERI: Okay. I don't have any
17:31:17 19 questions -- I don't have any further questions. Thank
17:31:19 20 you very much for your time.

17:31:20 21 THE WITNESS: You're welcome.

17:31:22 22 THE VIDEOGRAPHER: This is the end of Video 4
17:31:23 23 of 4 and concludes today's proceedings. The master
17:31:26 24 videos will be retained by Jordan Media. We are now off
17:31:29 25 the record. The time is 5:31.

16:51:38 1 (The deposition ended at 5:31 p.m.)

16:51:38 2 * * *

16:51:38 3

16:51:38 4

16:51:38 5 BRUCE CHIZEN

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16:41:10 1 I, Rosalie A. Kramm, Certified Shorthand
16:41:10 2 Reporter licensed in the State of California, License No.
16:41:10 3 5469, hereby certify that the deponent was by me first
16:41:10 4 duly sworn and the foregoing testimony was reported by me
16:41:10 5 and was thereafter transcribed with computer-aided
16:41:10 6 transcription; that the foregoing is a full, complete,
16:41:10 7 and true record of said proceedings.

16:41:10 8 I further certify that I am not of counsel or
16:41:10 9 attorney for either of any of the parties in the
16:41:10 10 foregoing proceeding and caption named or in any way
16:41:10 11 interested in the outcome of the cause in said caption.

16:41:10 12 The dismantling, unsealing, or unbinding of the
16:41:10 13 original transcript will render the reporter's
16:41:10 14 certificates null and void.

16:41:10 15 In witness whereof, I have hereunto set my hand
16:41:10 16 this day: March 26, 2013.

16:41:10 17 X Reading and Signing was requested.

16:41:10 18 Reading and Signing was waived.

16:41:10 19 Reading and signing was not requested.

16:41:10 20

16:41:10 21

16:41:10 22

ROSALIE A. KRAMM

16:41:10 23

CSR 5469, RPR, CRR

16:41:10 24

25

EXHIBIT B

1 UNITED STATES DISTRICT COURT
2 NORTHERN DISTRICT OF CALIFORNIA
3 SAN JOSE DIVISION
4
5

6 IN RE: HIGH-TECH EMPLOYEE)
7 ANTITRUST LITIGATION)
8) No. 11-CV-2509-LHK
9 THIS DOCUMENT RELATES TO:)
10 ALL ACTIONS.)
11 _____)
12
13

14 ATTORNEYS' EYES ONLY
15 VIDEO DEPOSITION OF DIGBY HORNER
16 March 1, 2013
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19 REPORTED BY: GINA V. CARBONE, CSR NO. 8249, RPR, CCRR
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03:02:23 1 this guy really a rock star and are we willing to make
03:02:27 2 an exception here because this is an infrequent
03:02:29 3 occurrence.

03:02:30 4 Q. And is some of the information in this chart
03:02:32 5 related to the compensation of his peers?

03:02:38 6 A. Well, I think that in this chart right here, I
03:02:41 7 don't see anything -- well, yeah. They do have the base
03:02:44 8 salaries in here. And so I think that the way you would
03:02:51 9 correlate this is that you would look at the salary
03:02:57 10 range that's characterized on page 1. [REDACTED]

03:03:02 11 [REDACTED]. A rather large range.

03:03:06 12 And what you see on the second page is sort of
03:03:09 13 a subset of 5163s. Probably doesn't include
03:03:13 14 localization, engineers and some other categories that
03:03:16 15 aren't good compares and tries to give you a sense of
03:03:19 16 what the distribution of salaries is across those.

03:03:23 17 Q. What is the -- do you see the first column that
03:03:25 18 says comp ratio, I think?

03:03:27 19 A. Yeah. My understanding of comp ratio is where
03:03:33 20 are those folks in the range. So we -- when we bring
03:03:38 21 somebody in as a new hire, you know, we -- we -- we have
03:03:44 22 a particular target in that range that -- that we hire
03:03:48 23 sort of on average against, and Donna Morris would be
03:03:51 24 able to give you tons more detail than I can here, but
03:03:55 25 I'll try to give you the details as I understand them.

03:03:58 1

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

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[REDACTED] [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

03:04:37 12

I know that's complicated, but....

03:04:40 13

Q. Is it fair to say that you want to consider how

03:04:44 14

[REDACTED] peers are being compensated to make sure

03:04:48 15

that the compensation he receives is fair in comparison

03:04:52 16

to them?

03:04:54 17

MR. KIERNAN: Argumentative.

03:04:55 18

THE WITNESS: Yeah. What I would -- what I

03:04:57 19

would say here is that, you know, the primary thing I

03:04:59 20

look at is -- so that -- that's a term that we use

03:05:03 21

internally, which is internal equity.

03:05:06 22

Q. Okay.

03:05:06 23

A. And, you know, at the end of the day, I -- we

03:05:08 24

do care about that. I mean, one of the things that I

03:05:11 25

would look at is, you know, is the -- is the proposal

03:05:15 1 that John's making something that's likely to put this
03:05:18 2 employee outside of the range. That would, of course,
03:05:20 3 be a concern for me.

03:05:22 4 But really, for me, it's less about the equity
03:05:27 5 with respect to these folks. You know, I don't want
03:05:31 6 them to be out of the range, but it's more about his
03:05:34 7 performance and being able to say, well, what has he
03:05:37 8 done in comparison to some of these other folks,
03:05:40 9 particularly the one on the list here who is a [REDACTED]

03:05:45 10 You know, explain to me what kinds of
03:05:46 11 contributions -- what I would ask Jocelyn is, is help me
03:05:48 12 understand the kinds of things that [REDACTED] has
03:05:51 13 done over the last couple of years and let me just make
03:05:55 14 sure I can calibrate those against the things John has
03:05:58 15 called out and just be confident from a data perspective
03:06:00 16 that we're making an as -- an appropriate exception
03:06:02 17 here.

03:06:03 18 Q. Thank you.

03:06:04 19 If you look at the email above the one we were
03:06:07 20 just looking at, there's an email from John Farmer to
03:06:10 21 you, and that's dated October 25th, 2010. Do you see
03:06:12 22 that?

03:06:13 23 A. Yes.

03:06:13 24 Q. Okay. And Rick Waters and Jocelyn Vosburgh are
03:06:18 25 copied on that. Do you see that?

04:47:29 1 call, solicit or hire?

04:47:30 2 MR. KIERNAN: Objection. Form.

04:47:31 3 THE WITNESS: I can only answer in the context
04:47:33 4 of my job and what I actually know. And that's --
04:47:35 5 that's the context within which I'm answering.

04:47:38 6 MS. SCHALMAN-BERGEN: Q. So is the answer
04:47:39 7 to my question, no, you don't have any basis?

04:47:41 8 A. Well, I think I do have a basis. I mean, I
04:47:43 9 manage roughly a thousand people at the company, so, you
04:47:45 10 know, I -- I think if -- I think it's -- I mean, it's
04:47:49 11 not a guarantee, but I think it's reasonable that if
04:47:52 12 there were other agreements, I might know about them.

04:47:56 13 Q. You think it's reasonable that if there were
04:47:58 14 agreements between other defendants you might know of
04:48:00 15 them?

04:48:01 16 A. Hard to say.

04:48:03 17 MS. SCHALMAN-BERGEN: Thank you.

04:48:06 18 THE VIDEOGRAPHER: This is the end of video
04:48:07 19 No. 6 and the conclusion of today's proceeding. The
04:48:11 20 time is 4:48 p.m.

04:48:12 21 We're off the record.

04:48:14 22 (The deposition concluded at 4:48 PM)

04:48:15 23

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04:48:15 25

1 I, Gina V. Carbone, Certified Shorthand
2 Reporter licensed in the State of California, License
3 No. 8249, hereby certify that the deponent was by me
4 first duly sworn and the foregoing testimony was
5 reported by me and was thereafter transcribed with
6 computer-aided transcription; that the foregoing is a
7 full, complete, and true record of said proceedings.

8 I further certify that I am not of counsel or
9 attorney for either of any of the parties in the
10 foregoing proceeding and caption named or in any way
11 interested in the outcome of the cause in said caption.

12 The dismantling, unsealing, or unbinding of
13 the original transcript will render the reporter's
14 certificates null and void.

15 In witness whereof, I have hereunto set my
16 hand this day: March 13, 2013.

17 ___X___ Reading and Signing was requested.

18 _____ Reading and Signing was waived.

19 _____ Reading and signing was not requested.

20

21

22

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GINA V. CARBONE

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CSR 8249, CRR, CCRR

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EXHIBIT C

1 UNITED STATES DISTRICT COURT
2 NORTHERN DISTRICT OF CALIFORNIA
3 SAN JOSE DIVISION
4
5

6 IN RE: HIGH-TECH EMPLOYEE)
7 ANTITRUST LITIGATION)
8) No. 11-CV-2509-LHK
9 THIS DOCUMENT RELATES TO:)
10 ALL ACTIONS.)
11 _____)
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14 ATTORNEYS' EYES ONLY
15 VIDEO DEPOSITION OF ROSEMARY ARRIADA-KEIPER
16 March 28, 2013
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19 REPORTED BY: GINA V. CARBONE, CSR NO. 8249, RPR, CCRR
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09:25:59 1 financial analyst in 1998, was there a salary grade
09:26:04 2 associate -- was there a salary range or salary grade
09:26:07 3 associated with your position?

09:26:08 4 A. Yes.

09:26:09 5 Q. What was that?

09:26:09 6 A. I don't know.

09:26:11 7 Q. Do you know what your salary range was at the
09:26:14 8 time?

09:26:14 9 A. No.

09:26:15 10 Q. Do you know what your job level or what your
09:26:17 11 job grade was?

09:26:18 12 A. At that time?

09:26:19 13 Q. Yes.

09:26:20 14 A. No.

09:26:23 15 Q. Did you receive promotions or -- well, did you
09:26:27 16 receive any promotions during your time as an analyst?

09:26:30 17 A. I did.

09:26:31 18 Q. What promotions did you receive?

09:26:33 19 A. I moved from a career level analyst to a senior
09:26:37 20 level analyst, and eventually to a program manager.

09:26:49 21 Q. Did your salary increase with each of those
09:26:51 22 moves?

09:26:54 23 A. Yeah. I mean, I don't recall specifically,
09:26:56 24 but....

09:26:59 25 Q. Did your compensation increase -- well, did

09:27:03 1 your base salary increase with each of those moves
09:27:06 2 within the analyst position?

09:27:08 3 A. Yes.

09:27:16 4 Q. What were your job responsibilities as a
09:27:18 5 compensation analyst?

09:27:20 6 A. So we supported different business units within
09:27:24 7 the organization. So it consisted of things like
09:27:27 8 participating in surveys; doing benchmarking; doing
09:27:30 9 analysis, you know, both at a company level as well as
09:27:35 10 an organizational level; designing compensation programs
09:27:38 11 and plans.

09:27:45 12 Q. You mentioned that as a compensation analyst
09:27:48 13 you participated in surveys?

09:27:50 14 A. Yes.

09:27:50 15 Q. Can you tell me more about that.

09:27:52 16 A. Yeah. So as a company, we participate in
09:27:56 17 surveys that third-party vendors host. Radford is the
09:28:00 18 primary source that we use. And so what that entails is
09:28:04 19 having to provide information about our compensation
09:28:08 20 practices and ranges that we develop. And as part of
09:28:13 21 that, there is lots of different companies that
09:28:15 22 participate in that. And as a result of us
09:28:18 23 participating and providing our data, we're then able to
09:28:21 24 get aggregated output data so we use that information as
09:28:25 25 we're determining kind of our market practices and

09:28:28 1 compensation practices that we want to apply internally.

09:28:32 2 Q. Do you know whether Adobe used any third-party
09:28:36 3 surveys other than Radford?

09:28:37 4 A. Yeah. We had a number of different ones.

09:28:40 5 Q. Which surveys did you subscribe to or
09:28:42 6 participate in?

09:28:42 7 A. The ones that come to mind for me would have
09:28:44 8 been Radford, we used iPass, I'm sure there were others.
09:28:52 9 I can't recollect their names. But our primary has
09:28:55 10 always been Radford. The others were more secondary
09:28:59 11 sources.

09:29:01 12 Q. You mentioned that you did benchmarking work as
09:29:04 13 a compensation analyst?

09:29:05 14 A. Uh-huh.

09:29:05 15 Q. What do you mean by "benchmarking"?

09:29:07 16 A. Looking at market data to analyze how our
09:29:11 17 salary ranges, practices and processes compare to the
09:29:13 18 market.

09:29:18 19 Q. Was benchmarking an ongoing project for you as
09:29:20 20 a compensation analyst?

09:29:23 21 A. So yeah, I guess I don't understand what you
09:29:26 22 mean by "ongoing."

09:29:28 23 Q. It's my understanding, and we can talk about
09:29:31 24 this a bit later, that Adobe benchmarks against the
09:29:35 25 surveys on an annual basis?

09:29:36 1 A. Correct.

09:29:38 2 Q. Did -- so when you were doing your benchmarking
09:29:41 3 work as a compensation analyst, were you involved in
09:29:43 4 that annual process?

09:29:44 5 A. Yes, I was.

09:29:50 6 Q. And can you describe the annual benchmarking
09:29:53 7 process?

09:29:53 8 A. Yeah. So it kind of kicks off with the survey
09:29:58 9 participation, and we typically do that in the
09:30:01 10 summertime period. We then get output back from the
09:30:08 11 third-party vendors in terms of by job, what specific
09:30:12 12 compensation elements look like. And they provide in
09:30:15 13 percentiles so you get the 25th, 50th, you know, 75th,
09:30:19 14 90th.

09:30:20 15

09:31:05 1

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

09:31:37 12

A. We have thousands of jobs at Adobe.

09:31:41 13

Q. What is TTC?

09:31:44 14

A. Total target compensation. So we define that

09:31:46 15

as your base salary plus your cash incentive.

09:31:57 16

Q. And when you say "cash incentive," are you

09:31:59 17

referring to the incentive payments that we just

09:32:01 18

discussed?

09:32:01 19

A. Either the sales commissions or the variable.

09:32:06 20

Q. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

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09:32:14 1

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09:32:43 10

And we have a specific percentile that we're targeting

09:32:46 11

within that market data. It's the 65th percentile.

09:32:49 12

[REDACTED]

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[REDACTED]

09:33:55 8

Q. So you -- if you review the survey data and

09:33:59 9

determine that Adobe is paying behind the 65th

09:34:04 10

percentile -- and when you say "65th percentile," are

09:34:06 11

you trying to target the midpoint of each salary range

09:34:10 12

of the 65th percentile?

09:34:11 13

A. Yeah. The midpoint of each salary range.

09:34:14 14

Correct.

09:34:17 15

Q. And if you believe that Adobe needs more money

09:34:23 16

to pay salaries in order to hit that 65th percentile --

09:34:27 17

A. On an aggregate level.

09:34:28 18

Q. -- on an aggregate level, you need to go to the

09:34:31 19

finance organization?

[REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED]

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09:35:43 23

THE VIDEOGRAPHER: Excuse me. Can you avoid of

09:35:45 24

touching the cable.

09:35:48 25

THE WITNESS: I'm sorry. I do a lot with my

09:35:49 1 hands. I'll try to keep them up here.

09:35:52 2 THE VIDEOGRAPHER: It makes a noise --

09:35:53 3 THE WITNESS: I use my hands a lot.

09:35:57 4 MS. LEEBOVE: Q. [REDACTED]

[REDACTED] [REDACTED]

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09:36:49 22 Q. That's about all the math I can do right there.

09:36:51 23 A. That's good. That's really good.

09:36:54 24 Q. [REDACTED]

[REDACTED] [REDACTED]

09:36:58 1

Q. How do --

09:37:00 2

A. [REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

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[REDACTED] 4

[REDACTED] [REDACTED]

[REDACTED] 5

[REDACTED] [REDACTED]

[REDACTED] 6

[REDACTED]

09:38:38 7

Q. As a compensation analyst, did you ever study

09:38:44 8

whether employees were -- how many employees were being

09:38:47 9

paid below the range for their job?

09:38:50 10

A. It's part of the reporting. So we'll look at

09:38:52 11

how many employees are below the minimum, we'll look at

09:38:55 12

how many are above the maximum, we'll look at how many

09:38:58 13

are targeted, you know, in what percentile. So, yeah,

09:39:00 14

we definitely look at that information.

09:39:06 15

Q. Has that been true for -- if I use the term

09:39:09 16

"class period," do you understand what I would be --

09:39:13 17

what I'm referring to?

09:39:14 18

A. No.

09:39:15 19

Q. So the class period -- and we'll talk about

09:39:19 20

your declaration a little bit later.

09:39:20 21

A. Okay.

09:39:21 22

Q. But when I refer to the class period, I'm

09:39:24 23

talking about the period of time between January 1st,

09:39:27 24

2005 and December 31st, 2009.

09:39:29 25

A. Okay.

09:39:31 1 Q. So do you know whether for the entire -- for
09:39:34 2 the entire class period it's been Adobe's policy to
09:39:41 3 review whether employees are being paid in or out of
09:39:44 4 range?

09:39:45 5 A. So yeah. So it's always been a part of the
09:39:48 6 process to kind of look at where employees are
09:39:50 7 positioned relative to the ranges that we're developing.

09:39:57 8 Q. And has this process of -- and has Adobe
09:40:01 9 participated in surveys for the whole class period?

09:40:04 10 A. As long as I can remember, yeah.

09:40:06 11 Q. And has Adobe engaged in this annual process of
09:40:09 12 comparing its salaries to market on an annual basis --

09:40:12 13 A. Yes.

09:40:12 14 Q. -- throughout the class period?

09:40:13 15 A. Yeah.

09:40:23 16 (Discussion off the record.)

09:40:33 17 MS. LEEBOVE: Q. So we were talking about
09:40:34 18 your job duties as a compensation analyst, and you
09:40:36 19 mentioned surveys, benchmarking, analysis. And was
09:40:41 20 the analysis that we just discussed the analysis
09:40:44 21 that you were talking about when you referred to
09:40:48 22 doing analysis as a compensation analyst?

09:40:50 23 A. That's one of them.

09:40:51 24 Q. What other sorts of analyses did you do as a
09:40:54 25 compensation analyst?

09:44:41 1 moved from a career compensation analyst to a senior
09:44:45 2 compensation analyst?

09:44:49 3 A. I would say it's more about the types of
09:44:52 4 projects, and kind of from a support perspective, the
09:44:57 5 type of visibility you get in terms of who you are
09:44:59 6 interfacing with from a client support perspective.

09:45:03 7 The core of the work is still the same, you are
09:45:06 8 doing analyzing and benchmarking and a lot of that.
09:45:09 9 It's just the types of programs are more highly visible.
09:45:11 10 So from that perspective, no. When I made the jump from
09:45:16 11 an individual contributor to a manager, then I would say
09:45:18 12 yeah, much more significant. Because now I'm all of a
09:45:21 13 sudden having to manage people which adds a whole
09:45:24 14 different dynamic.

09:45:24 15 Q. So you became a manager in 2006-ish?

09:45:27 16 A. Yeah. I should have looked up my chronology.

09:45:34 17 Q. And you moved from -- and I just want to make
09:45:37 18 sure that I'm getting this straight because I've --

09:45:41 19 A. I don't know if I remember it either. I have
09:45:43 20 to go look it up, it's been so long. But yeah.

09:45:46 21 Q. But you moved from an analyst role to a manager
09:45:48 22 of global compensation role?

09:45:50 23 A. I did, yeah.

09:45:51 24 Q. And what did your job as a senior manager -- or
09:45:56 25 were you a manager first and then a senior --

09:45:58 1 A. And then a senior manager. Yeah.

09:46:02 2 MR. KIERNAN: So were you the program manager?

09:46:05 3 THE WITNESS: So no, it was -- analyst, senior
09:46:08 4 analyst, program manager, career level manager, senior
09:46:12 5 level manager, director. So just moving up in levels,
09:46:16 6 right? We have lots of levels at Adobe.

09:46:21 7 MR. KIERNAN: I hope you got that.

09:46:25 8 THE WITNESS: Again, analyst, senior analyst,
09:46:27 9 career level manager, senior level manager -- I forgot
09:46:33 10 the program in between the manager and the senior
09:46:35 11 analyst.

09:46:41 12 MS. LEEBOVE: Q. When you were a program
09:46:43 13 manager, were you still working functionally as an
09:46:48 14 analyst?

09:46:49 15 A. It was definitely functionally as an analyst.
09:46:52 16 My audience there, though, was I was doing executive
09:46:55 17 comp. So the programs that I was supporting were the
09:46:58 18 board of directors, the officers of the company, and
09:47:01 19 kind of VP level and above. So again, just same kind of
09:47:06 20 concepts, but a different audience.

09:47:12 21 Q. And then when you became -- the career level
09:47:15 22 manager position was the manager of global compensation,
09:47:17 23 am I right?

09:47:18 24 A. Exactly. Yeah.

09:47:20 25 Q. And what were your job duties as the manager of

09:47:23 1 global compensation?

09:47:24 2 A. So, you know, we tend to be working managers,
09:47:26 3 so I did some level of analysis and benchmarking, some
09:47:32 4 of that other stuff. But my primary focus, I would say
09:47:35 5 about 70 percent of my time, was more directing the
09:47:38 6 projects, you know, and disbursing them on the team and
09:47:41 7 doing check-ins with my team, providing guidance. That
09:47:45 8 sort of thing. So it was more managing people as
09:47:48 9 opposed to doing the actual work.

09:47:53 10 Q. How many reports did you have as the manager of
09:47:55 11 global compensation?

09:47:56 12 A. Oh, my God. We'd have to go back. We've had
09:48:00 13 so many fluctuations. I would say between three and
09:48:05 14 five.

09:48:06 15 Q. Okay. As the manager of global compensation,
09:48:12 16 were you responsible for allocating your focal budget to
09:48:17 17 your three to five direct reports?

09:48:20 18 A. Yeah. Just like a manager. Yeah.

09:48:29 19 Q. Was your -- was it when you assumed the title
09:48:32 20 of manager of global compensation that you first were
09:48:35 21 responsible for allocating a focal budget among reports?

09:48:39 22 A. For making recommendations, yeah. As an
09:48:41 23 individual contributor I was never responsible for
09:48:43 24 making recommendations.

09:48:46 25 Q. And did you directly allocate the focal budget,

10:46:11 1 Q. Roughly?

10:46:12 2 A. Roughly about 12,000 globally.

10:46:18 3 Q. Do you know how many of the roughly 12,000 jobs
10:46:21 4 globally are in the United States?

10:46:25 5 A. 12,000 employees.

10:46:26 6 Q. Of the -- right. Do you know of the -- of
10:46:30 7 Adobe's roughly 12,000 employees, do you know how many
10:46:33 8 reside in the United States?

10:46:34 9 A. Roughly 6,000.

10:46:40 10 Q. Is it fair to say that throughout the class
10:46:41 11 period, approximately half of Adobe's employees have
10:46:44 12 been located in the U.S.?

10:46:48 13 A. I don't know. Our distribution has shifted
10:46:51 14 over the years, so I don't know that it's always been
10:46:54 15 half.

10:46:55 16 Q. Okay. Do you know how many job categories
10:46:58 17 Adobe has currently?

10:47:03 18 A. No.

10:47:10 19 Q. Do you know whether there have been efforts
10:47:12 20 over time to reduce or streamline Adobe's job
10:47:16 21 categories?

10:47:18 22 A. We have tried to consolidate the number of jobs
10:47:21 23 we utilize, yes.

10:47:26 24 Q. How so?

10:47:28 25 A. So as I mentioned earlier, every job has a

10:47:33 1 discrete salary range, [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]

10:48:19 11 Q. Further down in paragraph 4 of Donna Morris'

10:48:22 12 declaration, and I'm picking up just at the very last

10:48:25 13 line of page 1, she states, "[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]."

10:48:52 18 Did I get that right?

10:48:54 19 A. Yep.

10:48:59 20 Q. What is the purpose -- or what purpose is

10:49:02 21 served by helping to guide compensation decisions?

10:49:09 22 A. What purpose is served? Kind of -- can you

10:49:12 23 help me understand your question?

10:49:14 24 Q. Well, why -- why does Adobe want to -- or why

10:49:25 25 has Adobe wanted to help guide compensation decisions as

10:49:33 1 Ms. Morris states in her declaration?

10:49:38 2 A. [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

10:50:01 8 Q. Well, in what -- Ms. Morris states, "to help

10:50:13 9 guide compensation decisions." I guess my question is,

10:50:15 10 to help guide compensation decisions in what direction

10:50:20 11 or --

10:50:21 12 A. Probably in any direction. So as a manager we

10:50:24 13 make decisions around new hires, we make decisions

10:50:27 14 around annual review, we make decisions around

10:50:30 15 promotions. And so, you know, a salary range, you know,

10:50:35 16 helps you from the perspective of identifying kind of

10:50:38 17 what the appropriate level of pay could be for a

10:50:42 18 particular job.

10:50:46 19 You know, a job description helps in ensuring

10:50:48 20 that you are kind of looking at the right kind of job

10:50:50 21 and the right, you know, pay information as it relates

10:50:54 22 to your job.

10:50:59 23 Q. So did -- or does Adobe assign each employee a

10:51:04 24 job code -- well, let me back up.

10:51:10 25 Does each job code have a salary range

10:51:13 1 associated with it?

10:51:13 2 A. It does. Correct.

10:51:21 3 Q. And so by assigning each employee a job code

10:51:25 4 and a salary range, is Adobe trying to guide

10:51:28 5 compensation decisions into the salary range?

10:51:35 6 MR. KIERNAN: Objection to form.

10:51:38 7 THE WITNESS: [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

10:52:29 22 MS. LEEBOVE: Q. Is the purpose of the

10:52:32 23 salary ranges that are associated with job codes to

10:52:36 24 guide managers to compensate employees within the

10:52:41 25 salary range assigned to their job code?

10:52:44 1 MR. KIERNAN: Object to form.

10:52:49 2 THE WITNESS: [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

10:53:31 12 MS. LEEBOVE: Q. Does Adobe generally

10:53:46 13 believe that employees should be paid within the

10:53:49 14 salary range assigned to their job code?

10:53:53 15 A. [REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

10:54:24 25 Q. Does Adobe do any studies as to whether

10:54:26 1 employees are being paid in or out of range?

10:54:29 2 A. We do. We not only look at those below, but we
10:54:33 3 look at those above, we look at people where they're
10:54:36 4 positioned within the actual range. So we do look at
10:54:40 5 that information.

10:54:49 6 Q. Is it the compensation analysts who look at
10:54:51 7 that information and make those determinations?

10:54:53 8 A. It is the compensation analyst that does that.

10:55:02 9 Q. Do the salary ranges associated with each job
10:55:06 10 code generally -- well, are they -- do they exist in
10:55:10 11 part to make compensation decisions more expedient?

10:55:15 12 A. I wouldn't say it's an expedient issue. It's
10:55:20 13 more of a, you know, what do we need to be targeting in
10:55:25 14 order to be competitive.

10:55:27 15 Q. What would happen if there were no salary
10:55:32 16 ranges associated with each job code? How would
10:55:35 17 compensation be determined then?

10:55:37 18 MR. KIERNAN: Object to form.

10:55:39 19 THE WITNESS: I don't know.

10:55:48 20 MS. LEEBOVE: Q. Did you say you didn't
10:55:49 21 know?

10:55:49 22 A. Yeah. Don't know.

10:55:53 23 Q. Continuing on with paragraph 4 of Ms. Morris'
10:55:58 24 declaration, the very last phrase in paragraph 4, which
10:56:03 25 appears on page 2 says, "[REDACTED]"

10:56:07 1 [REDACTED]

10:56:10 2 [REDACTED]." Do you see that?

10:56:14 3 A. Yeah.

10:56:15 4 Q. Is that true?

10:56:15 5 A. Yeah. Roughly.

10:56:20 6 Q. And how have the job codes changed over time?

10:56:24 7 A. I think we -- you can see fluctuations, right?

10:56:30 8 With the acquisition of new companies, you bring in some

10:56:34 9 new jobs, because sometimes we inherit talent that are

10:56:40 10 in roles that we may not have had previously. We add.

10:56:44 11 So as we expand into different geographies, you've got

10:56:48 12 to create job codes for, you know, roles in those

10:56:50 13 geographies. So we tend to see those numbers fluctuate

10:56:56 14 up or down. Or if we close offices or close a

10:56:59 15 particular geography, then you might see them go away.

10:57:04 16 Q. And has there been an effort within Adobe to

10:57:07 17 reduce the number of job codes Adobe uses for its

10:57:09 18 employees?

10:57:11 19 A. [REDACTED]

10:57:13 20 [REDACTED]

10:57:22 21 Q. Do you know how many unique job codes Adobe

10:57:25 22 currently uses?

10:57:26 23 A. I don't.

10:57:29 24 Q. Do you know whether Adobe has tracked the

10:57:30 25 number of job codes that have been in use throughout the

11:07:56 1 A. Yes, I did.

11:07:56 2 Q. When did that happen?

11:07:57 3 A. In January of 2012 -- or '13. I'm sorry.

11:08:03 4 Q. Had Debbie Streeter disagreed with your salary
11:08:06 5 recommendations for your four reports, would she have --
11:08:10 6 would her opinion have prevailed over yours?

11:08:14 7 A. I don't know.

11:08:19 8 Q. Have you ever disagreed with your supervisor --

11:08:22 9 A. I have.

11:08:24 10 Q. -- over -- well, let me ask the whole question.

11:08:31 11 Have you ever disagreed with your supervisor
11:08:33 12 over compensation decisions for your reports?

11:08:35 13 A. I have.

11:08:41 14 Q. When did you -- when did the disagreement
11:08:43 15 occur?

11:08:45 16 A. It -- well, there has been several. I couldn't
11:08:49 17 remember exactly when.

11:08:50 18 Q. Did you have any disagreements over the most
11:08:52 19 recent focal review in January?

11:08:53 20 A. No.

11:09:03 21 Q. Can you remember the most recent instance when
11:09:05 22 you disagreed with your manager over salary decisions
11:09:08 23 you made with -- salary decisions you wanted to make
11:09:11 24 with respect to your reports?

11:09:14 25 A. I don't remember the specifics, [REDACTED]

11:09:17 1

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

11:10:02 17

A. Oh, we have a salary tool where managers go in

11:10:06 18

and make their salary recommendations.

11:10:14 19

Q. Is this salary tool, is it a software tool --

11:10:17 20

A. It is.

11:10:17 21

Q. -- that is part of the focal review process?

11:10:20 22

A. It is. It's an online tool that's home grown,

11:10:23 23

developed internally.

11:10:29 24

Q. Do you know who developed -- what is it called,

11:10:31 25

the salary -- just the salary tool?

11:10:33 1 A. Salary planning tool.

11:10:34 2 Q. Okay. Has the salary planning tool existed for
11:10:41 3 the -- did the salary planning tool exist for the entire
11:10:43 4 class period?

11:10:44 5 A. No.

11:10:45 6 Q. When did the salary planning tool come into
11:10:48 7 being?

11:10:49 8 A. This one was built for this particular review
11:10:53 9 process. So it officially went live in December of
11:10:58 10 2012.

11:11:04 11 Q. Was there a prior iteration of the salary
11:11:06 12 planning tool before the December '12 rollout that you
11:11:11 13 just mentioned?

11:11:12 14 A. Several during the class period.

11:11:17 15 Q. So let me step back and rephrase my question.
11:11:19 16 Has there been a salary planning tool for the entire
11:11:25 17 class period?

11:11:28 18 A. No.

11:11:29 19 Q. Can you tell me more about the several salary
11:11:32 20 planning tools that have existed at Adobe?

11:11:34 21 A. Yeah. So this latest one was home grown tool.
11:11:38 22 From -- for kind of the 2000 -- and I guess -- 12 review
11:11:46 23 period, we used Taleo. I can't remember the exact
11:11:54 24 dates, but we used Taleo. And prior to Taleo we used
11:11:57 25 SAP.

11:12:02 1 Q. Let me get this straight. So now Adobe uses --
11:12:05 2 let's just call it the salary planning tool. Prior to
11:12:08 3 the salary planning tool, Adobe used Taleo?

11:12:10 4 A. Taleo had a salary planning tool. So they have
11:12:13 5 many products, they had a salary planning tool that we
11:12:15 6 used.

11:12:17 7 Q. When did Adobe use Taleo's salary planning
11:12:20 8 pool? For what time period?

11:12:22 9 A. It was definitely before this one, but I can't
11:12:25 10 remember -- we used it for two years. So two years
11:12:28 11 prior to this last one we used Taleo.

11:12:36 12 Q. And what is SAP?

11:12:38 13 A. Yeah. I don't know what it's specifically --
11:12:41 14 but SAP salary planning tool would have been what we
11:12:44 15 used prior to Taleo's salary planning tool.

11:12:55 16 Q. What was the function of the SAP salary
11:12:59 17 planning tool?

11:13:00 18 A. Same function as the Taleo and the one we have
11:13:04 19 now. Essentially a mechanism for managers to go online,
11:13:09 20 make salary recommendations, bonus recommendations, and
11:13:14 21 submit them.

11:13:20 22 Q. Have these three -- is it fair to call all
11:13:24 23 three of these tools the salary planning tool, the SAP,
11:13:27 24 and the Taleo, salary planning tools?

11:13:29 25 A. Yes.

11:13:29 1 Q. Okay. Can we refer to them generally as salary
11:13:34 2 planning tools?

11:13:36 3 A. Yes.

11:13:37 4 Q. Have the salary planning tools also helped
11:13:40 5 managers to stay within their merit increase budgets?

11:13:43 6 A. Yes.

11:13:49 7 Q. Does the salary -- has the salary planning tool
11:13:54 8 helped -- well, scratch that.

11:13:56 9 Has the salary planning tool proposed merit
11:14:06 10 increases to particular employees? How does -- well,
11:14:08 11 can you tell me how the salary planning tool has worked?

11:14:11 12 A. Yeah. So essentially the salary planning tool
11:14:16 13 is populated with employee information for a particular
11:14:21 14 manager, so the employees on their team. You have the
11:14:24 15 ability to kind of look at their current compensation.
11:14:28 16 It shows them what the range is for the current role
11:14:34 17 that they're in. It provides information around what
11:14:39 18 their budget is in terms of what they can spend to do
11:14:43 19 the annual review, and then it's got some other detailed
11:14:46 20 information like, you know, what's the job they're in,
11:14:48 21 the level they're in, some personal data. So managers
11:14:54 22 essentially use that to provide recommendations.

11:14:59 23 The tool also has the ability to provide kind
11:15:03 24 of the guidelines that we recommend in terms of how
11:15:09 25 managers might want to think about spending their

11:15:13 1 allocated budget.

11:15:15 2 Q. Does -- or has the salary planning tool had a
11:15:18 3 function that a manager could input an employee's
11:15:23 4 performance rating --

11:15:27 5 A. Previously --

11:15:27 6 Q. -- and then --

11:15:30 7 A. Go ahead. I'll let you finish.

11:15:32 8 Q. We can make that one question.

11:15:33 9 Has the salary planning tool had a function
11:15:35 10 that a manager could input an employee's performance
11:15:38 11 rating and that the tool would generate a recommendation
11:15:40 12 about a salary increase?

11:15:42 13 A. So the tool prior to this year has had the
11:15:47 14 ability for us to input a performance rating because we
11:15:51 15 required managers to kind of assess performance. We no
11:15:54 16 longer are requiring a specific label around a rating.

11:16:00 17 So for this year, that wouldn't have been
11:16:02 18 applicable. But in prior years, yes. In terms of, you
11:16:06 19 know, that performance rating automatically generating a
11:16:10 20 salary recommendation, no.

11:16:17 21 Q. During the class period, did whichever
11:16:21 22 performance tool Adobe was using generate a salary
11:16:24 23 recommendation for each employee?

11:16:26 24 A. No. You have the ability -- so you have this
11:16:30 25 guideline, and you have the ability to kind of key in

11:16:34 1 what percentage increase or what dollar value increase
11:16:37 2 you want to give. But it doesn't automatically do that
11:16:41 3 for you.

11:16:43 4 Q. So the salary planning tool did not provide a
11:16:46 5 function where a manager could enter in additional
11:16:50 6 employee information beyond what was already populated
11:16:53 7 there?

11:16:53 8 A. Correct.

11:16:54 9 Q. And the planning tool would spit out a proposed
11:16:59 10 merit increase percentage or dollar figure?

11:17:01 11 MR. KIERNAN: Object to form.

11:17:05 12 THE WITNESS: So what the tool would do is, as
11:17:07 13 a manager I would go in, make my recommendation. It
11:17:12 14 would store that information. And then as an
11:17:16 15 administrator or as a manager, I could then run a report
11:17:21 16 that would show me the recommendations I had inputted
11:17:25 17 into the tool.

11:17:35 18 MS. LEEBOVE: Q. As a manager using the
11:17:36 19 salary tools, did you have to propose the amount by
11:17:43 20 which you wanted to increase an employee's
11:17:46 21 compensation?

11:17:46 22 A. Yes. You had two ways to do that. You could
11:17:49 23 either propose a percentage increase and just say I want
11:17:52 24 to give this person 3 percent, or you could go in and
11:17:56 25 input a dollar value. And it would calculate either

11:20:39 1 Q. Do you mean if Adobe programmed the tool to
11:20:42 2 default as a matter of Adobe policy?

11:20:44 3 MR. KIERNAN: Object to form.

11:20:45 4 THE WITNESS: No. Your question to me was, you
11:20:47 5 know, does the software, you know, provide a mechanism
11:20:49 6 for the lazy manager to go ahead and input a ranking and
11:20:53 7 then automatically recommend an increase? And I'm
11:20:55 8 saying unless -- I don't think that would have been the
11:20:58 9 case, I can't remember, because we had a range typically
11:21:03 10 for any performance level. It wasn't like a flat
11:21:05 11 amount.

11:21:06 12 And so unless we programmed to some sort of
11:21:10 13 default within that range, it wouldn't have known what
11:21:13 14 to pick, right? So I guess I'm telling you I don't know
11:21:17 15 because I don't remember what was programmed.

11:21:19 16 MS. LEEBOVE: Q. Okay then, I'll stick
11:21:21 17 with the "I don't know."

11:21:29 18 So I'm turning to paragraph 7, back to
11:21:33 19 paragraph 7 of Donna Morris' declaration. And the first
11:21:38 20 sentence states, "Adobe did not determine compensation
11:21:41 21 for individual employees on a company-wide basis."

11:21:44 22 Did I read that right?

11:21:45 23 A. Yeah.

11:21:46 24 Q. And is that your understanding -- do you
11:21:48 25 believe that to be true?

11:21:50 1 A. I do.

11:21:58 2 Q. And Ms. Morris continues, "Instead, managers
11:22:01 3 determine the compensation for individual employees
11:22:03 4 within a business unit, and were required to
11:22:06 5 differentiate compensation among employees based on
11:22:09 6 performance levels, performance reviews, and the
11:22:12 7 manager's assessment of the employee's expected future
11:22:15 8 contribution to the company."

11:22:17 9 Did I get that right?

11:22:18 10 A. Correct.

11:22:19 11 Q. Do you agree with that as well?

11:22:20 12 A. I do.

11:22:21 13 Q. [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

11:23:10 1

Q. [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

11:23:42 11

Q. How does Adobe go about differentiating

11:23:45 12

compensation based on performance?

11:23:48 13

MR. KIERNAN: Object to form.

11:23:50 14

THE WITNESS: Again, we put the onus on the

11:23:52 15

manager, you know, through our trainings. And we're

11:23:57 16

pretty transparent with this with our employees too. We

11:24:00 17

constantly talk about the fact that we are a pay for

11:24:02 18

performance company that, you know, we expect that

11:24:07 19

employees that are contributing at a higher level are

11:24:10 20

going to realize higher compensation in general.

11:24:15 21

But it's also very individual, right? And

11:24:19 22

managers kind of make those assessments and judgments on

11:24:22 23

an individualized basis. It can be very different, but

11:24:25 24

from a framework and a guidelines perspective, a lot of

11:24:28 25

the education and the discussions and the information

11:24:29 1 that we share, we kind of keep hounding that notion in,
11:24:32 2 right? Pay for performance, make sure we're
11:24:35 3 differentiating. This is not a "everybody gets paid the
11:24:40 4 same" environment.

11:24:46 5 Q. Do you know when Adobe started using the term
11:24:49 6 "pay for performance" to describe its compensation
11:24:52 7 philosophy?

11:24:53 8 A. Yeah. I'd have -- I don't know exactly when.
11:24:55 9 I'd have to go look at our documents, you know. It's
11:25:00 10 very prevalent in the world of compensation. So I feel
11:25:03 11 like it's been around forever, but I'd have to go back
11:25:10 12 and look at Adobe's documentation to see when we started
11:25:14 13 marketing it that way.

11:25:16 14 Q. Do you know when Adobe started using the term
11:25:18 15 "differentiating" to describe its -- or differentiating
11:25:20 16 based on performance?

11:25:21 17 A. No. I don't remember exactly when.

11:25:33 18 Q. Is it fair to say that Adobe has aspired to pay
11:25:35 19 for performance and differentiate salaries based on
11:25:38 20 performance throughout the class period?

11:25:40 21 A. Yes.

11:25:51 22 MR. KIERNAN: Can we take a short break if you
11:25:52 23 are going into another paragraph?

11:25:54 24 MS. LEEBOVE: Uh-huh.

11:25:55 25 MR. KIERNAN: Just five minutes.

11:40:34 1 Job Leveling.

11:40:36 2 A. Okay.

11:40:37 3 Q. Just let me know when you've had a chance to
11:40:39 4 review it or if you are already familiar with it.

11:41:07 5 MR. KIERNAN: You should feel free to read the
11:41:08 6 entire email too. She didn't mean to suggest that you
11:41:11 7 only have to read the attachment.

11:41:13 8 THE WITNESS: Okay.

11:41:19 9 MS. LEEBOVE: Certainly take all the time you
11:41:20 10 need to review the entire document. My questions,
11:41:23 11 though, are going to be about the attachment.

11:43:26 12 MR. KIERNAN: While she's reviewing that, I
11:43:27 13 just noticed that it looks like the document has two
11:43:30 14 attachments. Do you know if the exhibit only had one?
11:43:35 15 See the -- if you look at the attachments, one refers to
11:43:40 16 job leveling and then there is an HR Omniture offer.

11:43:47 17 MS. LEEBOVE: I can tell you that we had --
11:43:48 18 typically the way the documents have been produced --

11:43:50 19 MR. KIERNAN: Yeah.

11:43:50 20 MS. LEEBOVE: -- we have to find the exhibit
11:43:53 21 separate from --

11:43:55 22 MR. KIERNAN: The attachment?

11:43:56 23 MS. LEEBOVE: The attachment is usually
11:43:57 24 separate from the exhibit. Sometimes it's noted,
11:44:01 25 sometimes it's not. I know that these pages --

11:44:03 1 MR. KIERNAN: This was the entire exhibit?

11:44:05 2 MS. LEEBOVE: -- constitute the entire Vijungco
11:44:07 3 exhibit. I don't know what appears to be the second
11:44:10 4 attachment.

11:44:10 5 MR. KIERNAN: Okay.

11:44:11 6 MS. LEEBOVE: I don't know where that is.

11:44:14 7 Q. Have you had a chance to review Exhibit 300?

11:44:17 8 A. Yes, I have.

11:44:18 9 Q. Okay. Turning to the attachment -- well, do
11:44:25 10 you recognize the document attached to -- well, first of
11:44:28 11 all, have you ever seen this document before?

11:44:34 12 A. I don't remember seeing it, no.

11:44:40 13 Q. When you say you haven't seen this document
11:44:42 14 before, are you referring to the email messages, or the
11:44:44 15 attachment, or both?

11:44:46 16 A. Both.

11:44:48 17 Q. Having now reviewed the attachment, which
11:44:54 18 begins at page ADOBE_013839, you'll see that item No. 1
11:45:02 19 says, "How does Adobe determine job levels and salary
11:45:06 20 ranges."

11:45:06 21 A. Yes.

11:45:07 22 Q. And then the document, I guess, purports to
11:45:09 23 answer that question.

11:45:10 24 A. Uh-huh.

11:45:12 25 Q. Does the information provided on this document

11:45:14 1 about how Adobe determines job levels and salary ranges
11:45:18 2 appear accurate to you?

11:45:19 3 A. It does.

11:45:20 4 Q. Okay. And did Adobe determine job levels and
11:45:27 5 salary ranges in the manner described on page 013839
11:45:32 6 throughout the class period?

11:45:36 7 A. Roughly. That's the approach that we take. I
11:45:43 8 don't know if every single person is following it
11:45:45 9 exactly, but that's the approach we take.

11:45:48 10 Q. And has this been -- does this document reflect
11:45:51 11 the approach that Apple -- that Adobe took throughout
11:45:53 12 the class period?

11:45:54 13 A. It does.

11:45:59 14 Q. Okay. Turning to page 2 of the attachment,
11:46:04 15 it's the page marked ADOBE_013840. Do you see that
11:46:12 16 where it says item No. 5, "How is pay differentiated at
11:46:16 17 Adobe"?

11:46:16 18 A. Yes.

11:46:17 19 Q. Have you read that paragraph?

11:46:18 20 A. I did.

11:46:19 21 Q. Is that accurate? Is paragraph No. 5 accurate?

11:46:23 22 A. Not entirely. It may have been accurate for
11:46:27 23 this period of time, although I'm not sure what exact
11:46:31 24 period of time this alludes to, but we've not always had
11:46:36 25 four performance levels.

11:46:37 1 Q. Does it currently have four performance levels?

11:46:39 2 A. We currently have no performance levels.

11:46:41 3 Q. When were performance levels eliminated?

11:46:45 4 A. For this year. For the 2012 review period.

11:46:55 5 Q. Do you know why performance levels were
11:46:57 6 eliminated for the 2012 review period?

11:47:01 7 A. [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

11:47:48 19 Q. Prior to the 2012 focal review period, did

11:47:51 20 Adobe use performance ratings to assess employee

11:47:57 21 performance for purposes of the focal review?

11:47:58 22 A. It was one of the things they were asked to do,
11:48:00 23 yes.

11:48:01 24 Q. Were managers asked to assess employee
11:48:03 25 performance according to these -- according to

11:48:05 1 performance levels throughout the class period?

11:48:08 2 A. Yes. I don't know if there were always four
11:48:12 3 throughout that period. At some point we went from
11:48:14 4 three to four.

11:48:17 5 Q. So is it fair to say that for purposes of
11:48:24 6 allocating -- well, is it fair to say that when
11:48:29 7 manager -- for purposes of allocating their annual focal
11:48:33 8 review budget during the class period, managers were
11:48:36 9 required to assign their employees performance levels?

11:48:39 10 A. Yes.

11:48:40 11 Q. But at some point -- at one point there were
11:48:43 12 three performance levels, then there were four
11:48:45 13 performance levels?

11:48:46 14 A. Correct.

11:48:48 15 Q. But throughout the class period, Adobe used
11:48:50 16 performance levels as part of the review process?

11:48:52 17 A. That's correct.

11:48:55 18 Q. What were the three performance levels when
11:48:57 19 there were three?

11:48:58 20 A. So it was HI, solid, and low.

11:49:06 21 Q. And then at some point there were four
11:49:08 22 performance levels, and they're listed here; HI, strong,
11:49:12 23 solid and low?

11:49:13 24 A. Correct.

11:49:21 25 Q. Beyond those changes that we've just discussed

11:49:23 1 in terms of just the number and type of performance
11:49:29 2 levels, does paragraph 5 accurately describe how pay was
11:49:34 3 differentiated at Adobe during the class period?

11:49:37 4 A. Yep.

11:49:46 5 Q. Was there a ratings curve that managers were
11:49:52 6 given by Adobe?

11:49:55 7 A. [REDACTED]

[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]

11:50:27 16 Q. Okay. Are you aware whether Adobe has ever
11:50:35 17 studied the actual pay differentiation among employees
11:50:39 18 of different performance levels?

11:50:44 19 A. Help me understand your question.

11:50:45 20 Q. So I'm trying to understand whether Adobe ever
11:50:49 21 attempted to ascertain that pay was actually different
11:50:56 22 for employees who were ranked HI versus employees who
11:51:00 23 were ranked solid.

11:51:02 24 A. Oh, yeah. So, you know, typically what we do
11:51:06 25 is we do kind of a prefocal analysis and a postfocal

11:51:15 1 analysis. So, you know, some of the reporting back that
11:51:17 2 we do is, you know, did the company stay within their
11:51:19 3 overall budget pools, did we hold to the distributions,
11:51:26 4 did we, in fact, see differentiation?

11:51:31 5 Q. And has Adobe ever studied or attempted to
11:51:35 6 quantify the pay differentiation among employees of
11:51:40 7 different performance levels?

11:51:44 8 A. Quantify in what way?

11:51:46 9 Q. In determining the amount by which
11:51:48 10 high-performing employees were compensated relative to
11:51:53 11 low-performing employees, or even solid-performing
11:51:57 12 employees?

11:51:59 13 A. So what I would say is we've typically produced
11:52:02 14 information that says on average an HI received
11:52:05 15 X-percent increase. On average, a solid received this.

11:52:12 16 Q. Were there reports run about actual pay
11:52:21 17 differentiation among employees of different performance
11:52:24 18 levels?

11:52:25 19 A. So we had the ability to run a report that
11:52:27 20 tells us what rating and what increase each individual
11:52:34 21 gets. And yes, there is reports that aggregate that
11:52:36 22 data and report out averages, the highs, the lows, there
11:52:42 23 is a number of different ways you can look at it.

11:52:51 24 Q. How -- just -- I know that we're outside the
11:52:54 25 class period at this point, but how does Apple -- Apple.

11:52:58 1 How does Adobe currently differentiate among employees
11:53:02 2 for pay purposes in the absence of performance level
11:53:06 3 assignments?

11:53:08 4 A. Yeah, that's a great question. You know, I
11:53:14 5 think what we typically will do is we'll look again at
11:53:17 6 kind of aggregated distributions, like what percentage
11:53:20 7 of the population is sitting, you know, maybe between
11:53:23 8 this level and that level. But beyond that, I don't
11:53:26 9 know that there is necessarily a direct correlation to a
11:53:32 10 particular label like we've had in the past.

11:53:35 11 Q. Okay. And do you know -- I think you
11:53:37 12 mentioned, and I'm not purporting to repeat back word
11:53:43 13 for word what you said. But you said something about
11:53:46 14 the message given to employees about why performance
11:53:50 15 levels were eliminated. Is there a different message
11:53:52 16 that's been given to employees versus to managers --

11:53:55 17 A. No.

11:53:55 18 Q. -- about eliminating performance levels?

11:53:58 19 A. No. It's the same messaging. There has been
11:54:01 20 lots of debates around that, but the messaging has been
11:54:06 21 consistent.

11:54:07 22 Q. Okay. So it's not as if employees have been
11:54:10 23 told that rankings -- or that the performance ratings
11:54:13 24 went away, but in actuality their managers are still
11:54:16 25 using them and they just don't know?

12:15:40 1 constitutes an adequate differentiation based on
12:15:44 2 performance?

12:15:44 3 I know your attorney is going to object to this
12:15:47 4 question.

12:15:50 5 MR. KIERNAN: As soon as I start looking out
12:15:51 6 and gazing out the window.

12:15:56 7 MS. LEEBOVE: Q. But I think your earlier
12:15:59 8 testimony has been that Adobe makes no effort to
12:16:02 9 equalize pay.

12:16:03 10 A. Correct.

12:16:04 11 Q. And so just assuming that every employee is
12:16:14 12 already paid differently, how does -- what does a
12:16:23 13 successful -- what is successful pay differentiation
12:16:27 14 based on performance?

12:16:31 15 MR. KIERNAN: Object to form.

12:16:33 16 THE WITNESS: Yeah. So it's hard to answer
12:16:34 17 that question, right? Because it's so unique and
12:16:38 18 individualized. But, you know, from a compensation
12:16:41 19 practice perspective, you are taking a snapshot in time.
12:16:44 20 And our snapshot generally tends to be the annual focal
12:16:48 21 review, right?

12:16:48 22 So the correlation there is as you start to
12:16:51 23 kind of roll up all this information, what you want to
12:16:54 24 see is that generally an HI is getting, on average, a
12:16:58 25 greater increase than somebody who is a strong, than

12:17:00 1 somebody who is an SC, right?

12:17:08 2 (Reporter clarification.)

12:17:08 3 THE WITNESS: Than somebody who is a solid
12:17:10 4 contributor. An SC. Sorry. We have all of these
12:17:11 5 acronyms.

12:17:13 6 So high impact, strong contributor, solid
12:17:16 7 contributor and a low performer. So on an
12:17:22 8 individualized basis, you may or may not find that
12:17:25 9 people fall into that constraint. But on an aggregate
12:17:28 10 level is what we're really striving for, you want to see
12:17:31 11 that, right? And if you go back and you look at the
12:17:33 12 data, you'll see examples of that.

12:17:37 13 Q. Did Adobe ever target a particular percentage
12:17:40 14 difference in compensation between high performers and
12:17:47 15 strong performers?

12:17:49 16 A. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

12:18:16 22 Again, managers ultimately have the discretion,
12:18:19 23 but the way we set up the guidelines, they're structured
12:18:22 24 in such a way that the guidelines actually encourage
12:18:25 25 that differentiation.

12:18:30 1 Q. And are there guidelines that recommend, by
12:18:33 2 percentage, particular -- are there guidelines that
12:18:36 3 recommend to managers a particular percentage salary
12:18:39 4 increase based on an employee's performance ranking?

12:18:43 5 A. [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]

12:19:33 17 Q. Have there been percentage range guidelines for
12:19:38 18 salary increases according to performance rating
12:19:41 19 throughout the class period?

12:19:43 20 A. Say that again. Sorry.

12:19:45 21 Q. I don't know if I can.

12:19:49 22 [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]

12:20:16 1

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED] Let me back up.

12:20:28 4

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

12:21:09 13

Q. Are you familiar with the term "midpoint

12:21:12 14

compression"?

12:21:13 15

A. I am not familiar with midpoint compression.

12:21:16 16

I'm familiar with midpoint and compression.

12:21:21 17

Q. Well, what is -- are you familiar with use of

12:21:26 18

the term "compression" in compensation speak?

12:21:29 19

A. Yes.

12:21:30 20

Q. And what does the term "compression" mean in

12:21:32 21

compensation language?

12:21:33 22

A. Yeah. So compression essentially means, are

12:21:37 23

you creating kind of an issue -- we typically use it in

12:21:40 24

the context of new hires. So what happens is the

12:21:45 25

external market is moving at a pace that's more

12:21:49 1 accelerated than internal focal budgets allow.

12:21:53 2 So you could have a position where kind of the
12:21:56 3 market value for a new hire coming into the organization
12:21:59 4 is higher than the existing employees and what they're
12:22:04 5 making, right? Because once you are an employee and
12:22:10 6 positioned within a range, your ability to kind of see
12:22:17 7 pay change is typically done through the annual focal
12:22:21 8 process. And those budgets are typically around, you
12:22:27 9 know, 5 percent.

12:22:32 10 Q. And in the world of compensation, is
12:22:39 11 compression a good thing --

12:22:42 12 MR. KIERNAN: Object --

12:22:42 13 MS. LEEBOVE: Q. -- or a bad thing?

12:22:45 14 MR. KIERNAN: Object to form.

12:22:46 15 THE WITNESS: Yeah. I don't know if it's a
12:22:47 16 good thing or a bad thing.

12:22:50 17 MS. LEEBOVE: Q. Is compression something
12:22:53 18 that Adobe has sought to avoid?

12:22:56 19 A. No. We haven't sought to avoid it. It's
12:22:59 20 something that a manager needs to be aware of, right?
12:23:01 21 And again, if you think about it in the context of a new
12:23:06 22 hire, you are going to have kind of what the market
12:23:09 23 values for a particular role, right?

12:23:12 24 But as a manager, as I'm thinking about my
12:23:15 25 particular offer, I need to also think about the

12:23:18 1 contributions of the folks on my team, right? And what
12:23:21 2 they're performing at and where they're at. So
12:23:25 3 oftentimes if I've got high performing employees on my
12:23:30 4 team that are sitting at X range, you know, it's going
12:23:33 5 to be very awkward for me potentially as a manager if I
12:23:36 6 bring in an unknown entity who hasn't really had time to
12:23:40 7 display, you know, their ability to perform within the
12:23:43 8 company at a higher range, right?

12:23:46 9 So it's just something that we ask a manager to
12:23:48 10 consider among a number of different, you know, options.
12:23:52 11 Ultimately they have to make that decision, but it's
12:23:53 12 just something that we ask them to think about so they
12:23:56 13 can make an informed decision.

12:23:58 14 Q. Why would it be awkward for a manager to bring
12:24:01 15 in an unknown entity at a higher range than a performing
12:24:09 16 employee?

12:24:11 17 A. Because employees talk all the time, and they
12:24:13 18 share that level of information. And so it necessarily
12:24:17 19 won't be one, it's just how comfortable is the manager
12:24:21 20 in defending the decision that they made, right?

12:24:26 21 So it's not a bad or a good thing, but it's
12:24:28 22 just a matter of they need to be prepared to articulate
12:24:31 23 why they're making the decisions that they will.

12:24:39 24 Q. Okay. If you -- well, I want to turn back to
12:25:05 25 the Morris declaration.

12:25:10 1 A. Okay.

12:25:17 2 Q. And I'm looking at the last sentence in
12:25:21 3 paragraph 7 on page 3.

12:25:26 4 A. Okay.

12:25:28 5 Q. And it states "[REDACTED]

12:25:32 6 [REDACTED]

12:25:35 7 [REDACTED]

12:25:37 8 [REDACTED]."

12:25:43 9 A. Uh-huh.

12:25:44 10 Q. I'm curious about the word determinations here.
12:25:48 11 Who ultimately makes a compensation determination as
12:25:51 12 opposed to a compensation recommendation?

12:25:54 13 A. So to me I guess, you know, I use that
12:25:58 14 terminology interchangeably. So a manager ultimately
12:26:01 15 owns the recommendation, right? You know, my next level
12:26:06 16 manager, you know, always has the ability to kind of
12:26:10 17 review and, you know, discuss with me if they feel that
12:26:13 18 something should be different. But from an
12:26:16 19 accountability and final decision, it's generally the
12:26:19 20 manager.

12:26:29 21 Q. And so is it true that ultimately, then, an
12:26:36 22 employee's manager has final say over what that
12:26:38 23 employee's salary will be?

12:26:39 24 A. Yeah. Yeah.

12:26:55 25 MS. LEEBOVE: So I can go into more documents

01:31:23 1 A. Not really, because I can't read it very well.

01:31:32 2 Yeah, no.

01:31:37 3 Q. What, if anything, do you understand Delia was
01:31:40 4 referring to when she says that the midpoint compression
01:31:52 5 can -- well, she says, "The midpoint compression is a
01:31:57 6 reality."

01:31:59 7 And then skipping down, "It is not necessarily
01:32:01 8 a bad thing (in the future a role like this can bring
01:32:06 9 more stability to our internal equity), but the
01:32:08 10 implementation now is completely affecting our internal
01:32:11 11 equity."

01:32:12 12 Do you understand what she means by that?

01:32:13 13 A. I don't know exactly what she means by that.

01:32:20 14 Q. What do you understand this to mean?

01:32:25 15 A. So what -- I understand compression, and I know
01:32:29 16 Romania is a market where volatility with the labor
01:32:33 17 market is really high, and the rates move quite a bit.
01:32:37 18 So they are challenged, oftentimes with compression
01:32:40 19 issues as an organization, because there is such a high
01:32:46 20 demand in the market, and the internal pay rates aren't
01:32:50 21 aligning to the market.

01:32:53 22 So I'm guessing it has something to do with
01:32:55 23 that. But I don't really know what she means by
01:32:57 24 simulation of the -- I don't know what she's doing here.

01:33:00 25 Q. Okay. And so what is it -- is it fair to say

01:33:04 1 that Delia, based on her Friday, January 8th message at
01:33:10 2 8:26 p.m., and her earlier message at 12:40 p.m. on that
01:33:17 3 same date, it's -- does it seem fair to say that she
01:33:26 4 believes that the compression issue is -- what -- well,
01:33:32 5 what do you understand her to mean by internal equity?
01:33:34 6 That it's affecting -- compression is affecting Adobe's
01:33:39 7 internal equity or badly affecting internal equity?

01:33:45 8 A. I don't -- I'm not sure what she's referencing
01:33:47 9 here.

01:33:52 10 Q. Have you used the term "internal equity" in
01:33:54 11 your work in compensation?

01:33:56 12 A. Yep.

01:33:57 13 Q. What does internal equity mean?

01:33:58 14 A. So we use internal equity primarily in the
01:34:01 15 capacity of looking at, again, typically new hires. So
01:34:09 16 what we try to do is similar to when I talked about this
01:34:12 17 notion around compression, it's kind of the same
01:34:17 18 concept. When you are bringing somebody in at a higher
01:34:20 19 rate than everybody else in your organization, you want
01:34:22 20 to be cognizant of why you are doing that.

01:34:25 21 There is a number of reasons. Sometimes it's
01:34:25 22 compression, sometimes it's because you've got a star
01:34:27 23 player, you may have a team of individuals that aren't
01:34:30 24 high impact employees. There is a variety of reasons.
01:34:34 25 But as managers kind of consider their decisions, we do

01:34:37 1 ask them to kind of think about the pay of their team
01:34:39 2 members, right?

01:34:41 3 Q. And why, though?

01:34:44 4 A. Because it can, again, from a management
01:34:48 5 perspective, just create some opportunities for
01:34:51 6 discussions with managers because employees talk about
01:34:53 7 their compensation. So if a manager can clearly
01:34:58 8 articulate it, then great, right?

01:35:00 9 But we just want them to be aware that if
01:35:02 10 you've got a high impact employee in your organization,
01:35:05 11 and you are now bringing somebody in from the outside
01:35:07 12 that's not proven themselves, you might have to explain
01:35:10 13 why. And so, you know, you have the right to do that,
01:35:13 14 just make sure that you understand why you are making
01:35:15 15 the decisions that you are making.

01:35:18 16 Q. Does -- is there a fear within Adobe that
01:35:23 17 internal inequity would affect employee morale?

01:35:27 18 MR. KIERNAN: Objection to form.

01:35:30 19 THE WITNESS: Yeah. No. How can I explain
01:35:35 20 internal equity? Internal equity is, again, just
01:35:39 21 another factor that we ask kind of managers to think
01:35:43 22 about as they're making decisions relative to people's
01:35:47 23 salaries. It's, you know, often looked at as kind of a
01:35:51 24 factor that you think about, but it doesn't really
01:35:57 25 dictate anything, it just kind of informs, right?

01:36:01 1 So myself, as an example, if I'm bringing in
01:36:03 2 somebody from the outside and I'm thinking about what's
01:36:06 3 this offer that I want to make to this individual, I
01:36:08 4 will generally look at my team and see where they're
01:36:12 5 positioned, you know, and kind of make a judgment call
01:36:15 6 there. Because I do know that these individuals are
01:36:16 7 going to be working side by side, and, you know, it can
01:36:22 8 potentially have implications for me as a manager if
01:36:26 9 they're performing exactly the same way and they feel
01:36:29 10 like there is not a perceived fairness in terms of their
01:36:32 11 pay, right?

01:36:32 12 MS. LEEBOVE: Q. I'm sorry, did I
01:36:33 13 interrupt you?

01:36:34 14 A. No.

01:36:34 15 Q. So what would the implications be for you as a
01:36:39 16 manager?

01:36:40 17 A. A conversation to have to explain to the
01:36:42 18 individual why I made the decision that I did, right?
01:36:45 19 And there may be reasons for why I do that, and I'm
01:36:48 20 perfectly comfortable with it.

01:36:50 21 And in other instances, I may say you know
01:36:54 22 what? It's not worth it to me. I don't want to create
01:36:56 23 an issue where five people are going to be pissed off
01:36:59 24 because this person, you know, makes more than them and
01:37:01 25 haven't been here to prove themselves. So I have to

01:37:05 1 rationalize that as a manager.

01:37:07 2 Q. So why would you not want to have your
01:37:09 3 employees pissed off?

01:37:10 4 A. Why would I not want to have them pissed off?
01:37:15 5 You know, I generally like a happy environment. People
01:37:18 6 are more productive when they're not angry.

01:37:21 7 Q. And then is there -- could it -- is there a
01:37:23 8 concern that the lack of internal equity might affect
01:37:32 9 employee attrition?

01:37:32 10 A. No.

01:37:40 11 Q. Have you ever had an experience as a manager
01:37:42 12 where you did pay a team member disproportionately
01:37:49 13 compared to other team members and those who were not
01:37:52 14 paid highly complained to you?

01:37:54 15 A. Yeah.

01:37:55 16 Q. And what was the -- what happened?

01:37:58 17 A. [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED]. So those are easy.

01:38:23 25 Q. And then is there a way for employees who are

01:38:25 1 being paid less than a peer to increase their
01:38:32 2 compensation to match their peer's compensation?

01:38:36 3 A. Themselves, no. I mean, an employee can always
01:38:39 4 a conversation with their manager around the
01:38:43 5 dissatisfaction they have around their pay. Manager may
01:38:45 6 or may not do anything about that. But they can't say I
01:38:48 7 want this and get it.

01:38:50 8 Q. Is there anything -- what capability do
01:38:53 9 managers have to address an employee's dissatisfaction
01:38:55 10 with his or her pay?

01:38:56 11 A. You have lots of capabilities. So, you know,
01:38:58 12 as a manager, I think you need to think about, you know,
01:39:01 13 whether there is justification and warrant whether you
01:39:04 14 want to do it. There is always the mitigating factor,
01:39:06 15 though, which is your budget, right? And so that's
01:39:09 16 probably the thing that acts as our constraint.

01:39:12 17 So, you know, I've been -- it's not like we
01:39:14 18 give a corporate budget to managers to manage, you know,
01:39:17 19 employees who want higher pay increases, right? So if a
01:39:21 20 manager feels pretty strongly they that they want to do
01:39:24 21 this for whatever reasons they feel are justified, and
01:39:26 22 oftentimes they have to find that money.

01:39:28 23 So like myself as a manager, I might dip into
01:39:31 24 my, you know, T&E and say you know what? I'm not going
01:39:35 25 to take this travel, I'm going to use this money instead

01:39:38 1 to reward everyone. So I've got to make trade-offs as a
01:39:42 2 manager because there is no corporate funding to handle
01:39:44 3 those types of situations outside of annual review.

01:39:47 4 Q. You mentioned T&E; what's that?

01:39:49 5 A. Travel and expense. My travel budget.

01:39:52 6 Q. And managers are free to take travel and
01:39:54 7 expense money that they're not going to use and spend it
01:39:56 8 on employee compensation instead?

01:39:58 9 A. It's not necessarily money that they're not
01:40:00 10 going to use. You usually make the decision I'm not
01:40:02 11 going to make this trip because I'm going to use it
01:40:05 12 instead to fund this. But yeah, we have a line item in
01:40:07 13 there for travel.

01:40:08 14 Q. Okay. Have you ever, as a manager, taken money
01:40:28 15 out of your travel and expense budget or some -- or --
01:40:31 16 well, have you ever taken money out of your travel
01:40:34 17 expense budget to use for employee salaries?

01:40:36 18 A. Not for salaries, but I've done it to reward
01:40:38 19 people with a bonus.

01:40:41 20 Q. Are you aware of any managers who have asked
01:40:44 21 for increases to members of their teams based on their
01:40:49 22 dissatisfaction with their salary compared to another
01:40:52 23 team member's salary?

01:40:54 24 A. No.

01:41:52 25 MS. LEEBOVE: May I have this marked as the

01:41:53 1 next exhibit, please.

01:41:54 2 (Whereupon, Exhibit 2491 was marked for
01:41:54 3 identification.)

01:42:14 4 MS. LEEBOVE: Q. Ms. Arriada-Keiper,
01:42:14 5 you've been handed Exhibit 2491 that starts on a
01:42:17 6 page marked ADOBE_067124 and runs through 067128 --
01:42:21 7 or actually 067129.

01:42:29 8 If you would take the time that you need to
01:42:31 9 have a look at that.

01:46:01 10 A. Okay.

01:46:02 11 Q. Are you ready?

01:46:03 12 A. Yes.

01:46:03 13 Q. You've had a chance to review Exhibit 2491?

01:46:06 14 A. Yes.

01:46:12 15 Q. And do you recognize this document?

01:46:13 16 A. I do.

01:46:14 17 Q. What is it?

01:46:15 18 A. It's an exchange between Teresa, myself and
01:46:19 19 Debbie where we're trying to determine what to include
01:46:22 20 in our newsletter.

01:46:24 21 Q. How frequently -- or how frequently does or did
01:46:28 22 you issue a newsletter?

01:46:29 23 A. We issue it quarterly.

01:46:33 24 Q. Whose job is it to issue the quarterly
01:46:35 25 newsletter?

01:58:56 1 MR. KIERNAN: Maybe ask the question then she
01:58:57 2 can see if she needs to read more.

01:59:00 3 THE WITNESS: That's a lot to read.

01:59:01 4 MR. KIERNAN: There is a lot going on here.

01:59:03 5 MS. LEEBOVE: There is a lot going on here.

01:59:05 6 Q. I guess my first question is, do you recognize
01:59:07 7 these -- the emails that are reflected on this document?

01:59:09 8 A. Yeah.

01:59:09 9 Q. Okay. And do you have any reason to believe
01:59:13 10 that whether or not you were included as an addressee on
01:59:18 11 a particular message, that the message was sent -- do
01:59:20 12 you have any reason to believe the messages weren't sent
01:59:22 13 or received at the dates and times reflected --

01:59:24 14 A. No.

01:59:24 15 Q. -- by the people reflected on the messages
01:59:27 16 themselves?

01:59:27 17 A. No, I don't.

01:59:29 18 Q. So I'm looking at the top of page 108280, about
01:59:41 19 "Determine matrix and process for merit increases."

01:59:43 20 A. Uh-huh.

01:59:45 21 Q. And I'm wondering whether the proposal here, it
01:59:57 22 says, "[REDACTED]
01:59:59 23 [REDACTED]."

02:00:02 24 Partly I'm wondering what this bullet point
02:00:05 25 means, and then I'm wondering whether it was

02:00:07 1 implemented.

02:00:08 2 A. Yeah. So whether it was implemented or not, I
02:00:09 3 can't tell you without going back and checking stuff.

02:00:13 4 But let me see if I can tell you what I think it means.

02:00:24 5

██████████ █

██████████ █

██████████ █

██████████ █

██████████

(Inaudible reading from

02:00:54 11 document).

02:01:12 12 Yeah. So my sense here is we were trying to
02:01:15 13 look at kind of the different populations of people that
02:01:18 14 we had based on their contribution levels and see kind
02:01:21 15 of where they were positioned within their ranges. So
02:01:27 16 it looks like we were doing that -- that analysis.

02:01:31 17 Q. Were you discussing, in these email messages,
02:01:32 18 the review process that would happen at the end of 2008
02:01:38 19 that would affect salaries for 2009?

02:01:41 20 A. Correct. Yeah. So engaging this, we were kind
02:01:44 21 of trying to determine what our parameters or guidelines
02:01:47 22 were going to be for salaries that would go into effect
02:01:51 23 in 2009. Yes.

02:01:52 24 Q. Okay.

02:01:55 25 A. So it looks like we were trying to do some

02:01:58 1 modeling around HIs and currently where they were
02:02:01 2 positioned against their range.

02:02:05 3 Q. What does compa-ratio mean?

02:02:08 4 A. Compa-ratio is where your base salary is
02:02:12 5 relative to the midpoint of the range. So somebody who
02:02:15 6 is around the midpoint of the range would have a
02:02:17 7 compa-ratio of a hundred percent. If you are above the
02:02:21 8 midpoint of the range you would have a hundred plus.
02:02:22 9 And if you are below the midpoint of the range, you are
02:02:25 10 going to be less than a hundred percent. So it just
02:02:28 11 tells people where you are relative to the midpoint of a
02:02:30 12 range.

02:02:31 13 Q. Okay.

02:02:32 14 And are the -- wherever on this document I see
02:02:38 15 the initials RAK --

02:02:39 16 A. Yeah.

02:02:39 17 Q. -- is that your --

02:02:41 18 A. My response.

02:02:42 19 Q. Does that reflect your inserts to the text
02:02:44 20 here?

02:02:45 21 A. Yes.

02:02:45 22 Q. What did you mean when you said, "[REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]."

02:02:57 1 A. So generally speaking, when you are kind of
02:03:00 2 looking at differentiation and you are looking at kind
02:03:04 3 of where people should be positioned within the range,
02:03:07 4 one of the things that you look at is somebody that's a
02:03:10 5 high contributor, [REDACTED]
02:03:13 6 [REDACTED], you know, from a differentiation
02:03:17 7 perspective. So that's what that statement means. On
02:03:21 8 aggregate, right?

02:03:22 9 Again, individuals fluctuate up and down for a
02:03:24 10 number of reasons, but when we look at it from an
02:03:26 11 aggregate level, we try to see that generally speaking,
02:03:29 12 [REDACTED].

02:03:37 13 Q. Skipping down to your comments in the center of
02:03:42 14 page 108280 where we see your initials colon, "In the
02:03:48 15 past the philosophy."

02:03:49 16 A. Yeah.

02:03:53 17 Q. Could you review that paragraph there and tell
02:03:56 18 me what you meant?

02:03:58 19 A. Yeah. Yeah. I think what this statement is
02:04:15 20 around is the fact that we never had any formal
02:04:19 21 guidelines around a promotion. So what we did is we had
02:04:23 22 conversations with managers who were interested in
02:04:26 23 promoting somebody. We would advise them of different
02:04:29 24 things that they should consider when looking at that,
02:04:32 25 position in the range, their contribution level, but we

02:04:37 1 never really dictated to them a particular guideline
02:04:39 2 like we did for annual review that says you should give
02:04:43 3 X percent. So what we did is we created some guidelines
02:04:46 4 around, you know, what they should consider when doing
02:04:49 5 this.

02:04:50 6 Q. And when doing what?

02:04:53 7 A. Making a promotion.

02:04:55 8 Q. Does this paragraph here specifically refer to
02:04:57 9 making promotions?

02:04:58 10 A. Yeah.

02:04:59 11 Q. Okay.

02:05:00 12 MR. KIERNAN: See the bullet right above it.

02:05:03 13 THE WITNESS: "Provide you a few options
02:05:04 14 for '09 promo guidelines."

02:05:10 15 MS. LEEBOVE: Q. So what did you mean here
02:05:12 16 when you said, [REDACTED]

02:05:14 17 [REDACTED]

02:05:17 18 [REDACTED]?

02:05:18 19 A. So oftentimes managers will use the annual
02:05:23 20 review process as a -- an opportunity to promote people.
02:05:27 21 So they just kind of condensed it into one process. So
02:05:31 22 what we would typically do is a promotion should be
02:05:35 23 additive to their merit. Because merit you are looking
02:05:38 24 at the performance based on the job they did, a
02:05:41 25 promotion is now rewarding them for something they are

02:13:35 1 have to be treated separately and distinctly kind of
02:13:38 2 operating under their own kind of rules and as
02:13:43 3 independent companies.

02:13:43 4 So the timing of the Omniture acquisition came
02:13:45 5 at a point in time when we finally integrated as a
02:13:48 6 company right in the midst of annual review. [REDACTED]

[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED] they had only been planning for a 3 and a
02:14:11 15 half percent. And so it changed, kind of. [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

02:14:23 20 Q. And Donna Morris wrote here, it says, net --
02:14:34 21 I'm not sure who that refers to.

02:14:36 22 A. I don't know either.

02:14:37 23 Q. "[REDACTED]
[REDACTED]
[REDACTED]

02:14:48 1 [REDACTED]."

02:14:51 2 What does that mean?

02:14:53 3 A. I'm not sure what she's referring to. [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

02:15:40 16 Q. So was there -- is she -- does Donna Morris

02:15:55 17 appear to be suggesting that Adobe needs a matrix that

02:16:04 18 will increase base salaries?

02:16:12 19 MR. KIERNAN: Object to form.

02:16:13 20 THE WITNESS: Yeah. It's really hard for me to
02:16:16 21 understand what she meant. Pretty cryptic.

02:16:29 22 MS. LEEBOVE: Q. Did Adobe ever adjust
02:16:35 23 base salaries versus base salary ranges?

02:16:42 24 A. So we --

02:16:45 25 MR. KIERNAN: Hang on. Object to form.

02:16:47 1 Go ahead.

02:16:48 2 THE WITNESS: So we, as part of our annual
02:16:51 3 review, adjust salary ranges. That's what we do. They
02:16:54 4 either go up or they go down. Salary ranges, Adobe does
02:16:59 5 not adjust. The managers do that based on any types of
02:17:04 6 budgets that we give to them.

02:17:05 7 MS. LEEBOVE: Q. I think you just meant
02:17:07 8 salaries.

02:17:08 9 A. I mean salaries. Correct.

02:17:18 10 Q. But does it appear that Donna Morris is
02:17:20 11 suggesting that Adobe needs to provide market
02:17:25 12 competitive base salary adjustments?

02:17:28 13 A. I'm not sure what she's getting at. That's,
02:17:30 14 you know, not how I would interpret this.

02:17:41 15 Q. [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED]

02:18:06 21 Q. Is AIP in the -- there is a -- there are two
02:18:09 22 sets of bullet points. There is a first set that has
02:18:12 23 three bullet points and a second set of bullet points
02:18:15 24 are just two.

02:18:16 25 A. Yeah.

02:18:16 1 Q. Is AIP referring to the annual incentive plan?

02:18:19 2 A. It is.

02:18:19 3 Q. What does that sentence mean, that AIP is used

02:18:22 4 in?

02:18:22 5 A. "[REDACTED]

02:18:25 6 [REDACTED]." So....

02:18:34 7 MR. KIERNAN: Let me object to form.

02:18:38 8 THE WITNESS: So I'm not exactly sure what

02:18:39 9 she's trying to say here, to be honest with you. "[REDACTED]e

02:18:47 10 [REDACTED]."

02:18:57 11 Yeah. I guess I need more context. I don't

02:18:59 12 know what she's trying to do or say here.

02:19:04 13 MS. LEEBOVE: Q. Well, if you don't, I

02:19:05 14 don't.

02:19:07 15 A. Sorry.

02:19:08 16 Q. No, no. You only know what you know.

02:19:12 17 A. Okay.

02:19:14 18 Q. Nobody can make you know more.

02:19:20 19 Our next exhibit, I believe, it's Exhibit 2493.

02:19:34 20 (Whereupon, Exhibit 2493 was marked for
02:19:34 21 identification.)

02:20:28 22 MR. KIERNAN: Actually, sorry, any time you see
02:20:30 23 highlights, they're her highlights.

02:20:34 24 MS. LEEBOVE: I'm sorry. How have I done this
02:20:36 25 again? Yet again. Thank you.

02:26:38 1 Q. Did I read that right?

02:26:39 2 A. Yes.

02:26:40 3 Q. What's the Ops Staff?

02:26:42 4 A. At that point in time it would have been any
02:26:45 5 individuals that were direct reports of Shantanu
02:26:48 6 Narayen.

02:26:51 7 Q. Does Ops staff -- has Ops Staff historically
02:26:54 8 referred to the CEO's --

02:26:57 9 A. Direct reports? Yeah.

02:27:08 10 Q. And the reference to human resources, are the
02:27:09 11 human resources folks referred to here different than
02:27:14 12 compensation --

02:27:15 13 A. It could be --

02:27:16 14 Q. -- team members?

02:27:18 15 A. Yeah. It could be. There is a number of
02:27:19 16 people that review it. So compensation would definitely
02:27:22 17 be included in the human resources population, but it
02:27:24 18 could also include business partners.

02:27:27 19 Q. And does it appear to you that for this year,
02:27:30 20 for a Total Rewards Approach 2009, that human resources
02:27:37 21 reviewed the actual salaries --

02:27:41 22 A. Uh-huh.

02:27:41 23 Q. -- of high performing employees versus the
02:27:44 24 salary ranges of high performing employees?

02:27:46 25 MR. KIERNAN: Object to form.

02:27:47 1 THE WITNESS: So in 2009, or any year, we
02:27:49 2 always look at the range and the salaries. So that's no
02:27:52 3 different.

02:27:55 4 MS. LEEBOVE: Q. Does Adobe always review
02:27:56 5 the salaries of high performing employees to ensure
02:27:59 6 base pay is positioned within the market competitive
02:28:01 7 range?

02:28:02 8 A. We look at all salaries and where they're
02:28:06 9 positioned. Not just high impact.

02:28:15 10 Q. And is the purpose of looking at all salaries
02:28:20 11 to ensure that base pay is positioned within the market
02:28:23 12 competitive range?

02:28:23 13 [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

02:29:08 1

02:29:16 3

A. I --

02:29:18 4

MR. KIERNAN: Object to form.

02:29:21 5

THE WITNESS: Yeah. We go through an exercise

02:29:25 6

of having to label employees, and I think we continued

02:29:34 7

to do that. So every manager had to go in and kind of

02:29:37 8

assess their employees and give them a ranking.

02:29:40 9

MS. LEEBOVE: Q. But were managers not

02:29:42 10

required to adhere to the ranking curve in 2009?

02:29:47 11

MR. KIERNAN: Object to form.

02:29:48 12

THE WITNESS: Yeah. It's hard for me to kind

02:29:50 13

of understand what Donna was getting at here.

02:29:53 14

Again, the distribution has always been a

02:29:56 15

guideline, right? So whether we actually stay or not

02:30:02 16

within that distribution has always been up to kind of

02:30:04 17

the discretion of the manager. So --

02:30:09 18

MS. LEEBOVE: Q. And subject to budget

02:30:10 19

restraints?

02:30:11 20

A. Yeah. Yeah.

02:30:33 21

Q. You can set that aside. I'll hand you

02:30:36 22

something new, and unhighlighted hopefully.

02:30:47 23

Mark that the next in order, please.

02:30:58 24

(Whereupon, Exhibit 2494 was marked for

02:30:58 25

identification.)

02:37:19 1 A. For promotions and specific to markets. So
02:37:23 2 mature markets would have been something like the United
02:37:27 3 States, the UK, then you have your growth markets and
02:37:31 4 you have your high growth market. So it would have been
02:37:33 5 based on geography.

02:37:36 6 Q. There is a sentence here that reads -- it's
02:37:40 7 under salary increases and promotional budgets, and I
02:37:43 8 think it's the penultimate sentence. It says, "We have
02:37:46 9 also provided promotional guidelines to assist in making
02:37:49 10 salary recommendations and ensure equity across the
02:37:53 11 company."

02:37:57 12 A. Uh-huh.

02:37:59 13 Q. Was ensuring equity across the company one of
02:38:03 14 Adobe's compensation goals?

02:38:04 15 MR. KIERNAN: Objection. Form.

02:38:05 16 THE WITNESS: Yeah -- no, it's not a
02:38:06 17 compensation goal. It's a factor that you want to
02:38:08 18 consider.

02:38:12 19 MS. LEEBOVE: Q. I know we've discussed
02:38:13 20 before that it's -- or you've mentioned before that
02:38:16 21 equity is a factor that Adobe would consider and
02:38:20 22 that equity was a guideline or an aspiration. But
02:38:26 23 here this says ensure equity.

02:38:36 24 MR. KIERNAN: Hang on. I don't think there is
02:38:37 25 a question.

02:38:38 1 MS. LEEBOVE: There isn't a question yet.

02:38:41 2 Q. So I'm wondering how -- does -- well, does it
02:38:48 3 appear to you here that equity was an aspiration or it
02:38:55 4 was something that would be ensured?

02:39:00 5 MR. KIERNAN: Objection to form.

02:39:02 6 THE WITNESS: So I -- I can't, I guess,
02:39:08 7 articulate what it is that -- the point that was trying
02:39:09 8 to be made here. Let me give you my interpretation of
02:39:12 9 this.

02:39:12 10 My interpretation of this is that what we were
02:39:15 11 trying to do was create a set of guidelines around
02:39:19 12 promotions that could be consistently applied around the
02:39:21 13 world. So it doesn't mean, you know, consistently do
02:39:25 14 this everywhere, [REDACTED]

[REDACTED]
[REDACTED] . Whereas
02:39:33 17 before, there was no guideline and people could do
02:39:35 18 whatever they wanted. That's what I think this message
02:39:37 19 is about.

02:39:40 20 Q. Okay. On page 068164, there is a reference to
02:39:47 21 a salary range website.

02:39:49 22 A. Yeah.

02:39:49 23 Q. What is the salary range website?

02:39:52 24 A. So a salary range website is a tool that we
02:39:54 25 have available to managers whereby they can look at a

02:39:59 1 salary range for an associated job.

02:40:04 2 Q. Is the salary range website only accessible by
02:40:07 3 managers --

02:40:07 4 A. Yes.

02:40:08 5 Q. -- and above?

02:40:09 6 A. Uh-huh.

02:40:12 7 Q. Do ordinary individual contributors and other
02:40:16 8 nonmanagerial employees ever have access to the salary
02:40:20 9 range website?

02:40:21 10 A. Not individual contributors. If you are in HR,
02:40:25 11 so a recruiter, you would have access to that
02:40:29 12 information. Compensation does.

02:40:31 13 Q. Are recruiters who have access to the salary
02:40:35 14 range website free to share that information with other
02:40:39 15 nonmanagerial colleagues?

02:40:41 16 A. So we don't have a particular policy that says
02:40:44 17 you shouldn't be sharing this information. Whether they
02:40:48 18 do or don't, I don't know.

02:40:50 19 Q. Has the salary range website existed -- or did
02:40:54 20 a salary range website exist throughout the class
02:40:56 21 period?

02:40:57 22 A. I think so. It's been around for a long time.
02:41:01 23 I'd have to go back and look at when it was actually
02:41:04 24 developed. But we've had them for a long time, so....

02:41:10 25 Q. Is there a -- do you know whether you made an

02:41:15 1 attempt, personally, to collect documents or printouts
02:41:20 2 from the salary range website as part of your gathering
02:41:24 3 of documents for this case?

02:41:25 4 A. I personally didn't, no.

02:41:31 5 Q. Is the salary range website archived anywhere
02:41:33 6 that you know about?

02:41:35 7 A. The salary range website is not archived
02:41:37 8 anywhere that I know of. We feed the salary range
02:41:42 9 website, so we create those ranges. So we have those.

02:41:45 10 Q. And are the ranges -- are they -- can you look
02:41:48 11 back at historical data on the salary range website or
02:41:52 12 does it only post the current salary ranges?

02:41:55 13 A. Only posts the current. Yeah. Doesn't stop
02:41:57 14 managers from printing and saving it themselves. I
02:42:00 15 mean, they have the ability to do that.

02:42:06 16 Q. Under Equity Review, on page 068164.

02:42:10 17 A. Okay.

02:42:12 18 Q. The third bullet point states, "[REDACTED]
02:42:14 19 [REDACTED], " I'm skipping
02:42:17 20 the parenthetical here, "[REDACTED]
02:42:19 21 [REDACTED]."

02:42:25 22 A. Yeah.

02:42:26 23 Q. What does that mean?

02:42:26 24 A. So what that means is similar to a salary
02:42:31 25 budget, when it comes to equity, managers receive a

02:42:33 1

certain number of shares. [REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

02:43:14 15

MR. KIERNAN: Object to form.

02:43:15 16

THE WITNESS: I don't know. I don't know how

02:43:17 17

we accomplished it.

02:43:23 18

MS. LEEBOVE: Q. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

02:43:41 22

MR. KIERNAN: Object to form.

02:43:44 23

THE WITNESS: I don't know. Yeah. I don't

02:43:46 24

know if it was a directive or not.

02:43:55 25

MS. LEEBOVE: Q. Have there -- in your

02:43:57 1 experience at Adobe, have there ever been
02:44:02 2 directives -- well, has the company ever issued
02:44:05 3 directives about salary -- well, has the company
02:44:11 4 ever issued salary directives as opposed to salary
02:44:15 5 guidelines?

02:44:17 6 A. Yeah, um, I guess I just really struggle with
02:44:21 7 the directive for the guideline. So, you know, we
02:44:24 8 position things as these are your guidelines. Here is
02:44:28 9 your budget. Typically people follow the guidelines.
02:44:31 10 So, you know, if they didn't, you know, I don't know if
02:44:37 11 we've made exceptions or not. I'm not privy to that,
02:44:40 12 so....

02:44:42 13 Q. Okay. If we could, for a moment -- or if you
02:44:49 14 could, please take a look back at Exhibit 2487.

02:44:53 15 A. Okay.

02:44:54 16 Q. It's the one that looks like this. Well, and
02:44:57 17 it's the one that says Exhibit 2487 on it, if that
02:45:00 18 helps.

02:45:03 19 A. Eighty-seven. Yeah.

02:45:05 20 Q. If you turn to page 100614.

02:45:10 21 A. Okay.

02:45:20 22 Q. Can you tell me what this page reflects?

02:45:23 23 A. [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

Page: 164

Page: 165

02:48:19 1 Q. Okay. All right. Thank you.

02:48:23 2 A. Uh-huh. You are probably learning more about
02:48:31 3 comp than you ever wanted to know.

02:48:33 4 Q. I always wanted to know.

02:48:35 5 MR. KIERNAN: Can we take a five-minute break?

02:48:37 6 MS. LEEBOVE: Sure.

02:48:38 7 THE VIDEOGRAPHER: This is the end of video
02:48:39 8 No. 4.

02:48:39 9 The time is 2:48 p.m. We're going off the
02:48:41 10 record.

02:56:33 11 (Recess taken.)

03:01:48 12 THE VIDEOGRAPHER: This is the beginning of
03:01:49 13 video No. 5.

03:01:51 14 The time is 3:01 p.m. We're back on the
03:01:54 15 record.

03:01:57 16 MS. LEEBOVE: Okay. May I please have this
03:01:59 17 exhibit next. I believe we're at Exhibit 2495.

03:02:18 18 (Whereupon, Exhibit 2495 was marked for
03:02:18 19 identification.)

03:02:30 20 MS. LEEBOVE: Q. Ms. Arriada-Keiper,
03:02:30 21 you've been handed Exhibit 2495, it is Bates stamped
03:02:34 22 ADOBE_086264 through 086272.

03:02:45 23 In our desire to save some trees and print
03:02:49 24 double-sided, sometimes these are a little bit -- you
03:02:51 25 have to flip them around a couple times as you are

1	2	3
4	5	6
7	8	9
10	11	12
13	14	15
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91	92	93
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100	101	102

03:08:58 1

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

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[REDACTED] [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED]

03:09:46 17

Q. Okay. On page 5 of the document, the very last

03:10:09 18

bullet point says, [REDACTED]

03:10:13 19

[REDACTED]."

03:10:18 20

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

03:10:29 23

MR. KIERNAN: Object to form.

03:10:30 24

THE WITNESS: [REDACTED]

[REDACTED]

[REDACTED]

03:10:35 1

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

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[REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED]

03:11:52 23

Q. So we had discussed before, and I believe it's

03:11:56 24

in the Morris declaration itself, that each job code has

03:12:10 25

its own salary range.

03:12:12 1 A. Uh-huh.

03:12:14 2 Q. Is that not the case in HR now?

03:12:18 3 A. It still does. So the job code that we're now
03:12:20 4 using for these jobs has a specific range tied to it.

03:12:24 5 Q. But does each job code refer to more than one
03:12:26 6 job?

03:12:28 7 A. There is different types of jobs that make up
03:12:31 8 that job code. Yeah.

03:12:36 9 Q. Well, if we -- going -- turning back, then,
03:12:39 10 to -- that's it, you've got it, to Exhibit 2486, and
03:12:45 11 specifically to paragraph 4, we had talked before about
03:12:48 12 the sentence that says, "[REDACTED]

03:12:50 13 [REDACTED]

03:12:55 14 [REDACTED]

03:12:58 15 [REDACTED]."

03:12:59 16 A. Uh-huh.

03:12:59 17 Q. And we -- you and I had also talked about how
03:13:03 18 each job code also has a salary range associated with
03:13:06 19 it, right?

03:13:07 20 A. Yeah.

03:13:08 21 Q. But my question is, are job codes
03:13:12 22 individualized or -- well, how many jobs can fall within
03:13:18 23 a single job code?

03:13:20 24 MR. KIERNAN: Let me object to form.

03:13:23 25 THE WITNESS: Yeah. So you have -- the job

03:33:29 1

[REDACTED]

[REDACTED] 1

[REDACTED]

[REDACTED] 1

[REDACTED]

[REDACTED] 1

[REDACTED]

[REDACTED] 1

[REDACTED]

[REDACTED] 1

[REDACTED]

[REDACTED] 1

[REDACTED]

03:33:56 8

A. That, I don't know.

03:33:58 9

Q. Okay. Turning back to the Morris declaration.

03:34:43 10

A. Okay.

03:34:54 11

Q. If you could just read through paragraphs 9

03:34:56 12

through 11 and just let me know if there is anything

03:35:00 13

about those paragraphs that you would change if you --

03:35:05 14

if this was your declaration to make it more accurate or

03:35:07 15

truthful.

03:35:15 16

Let me rephrase that as a question. Would you

03:35:17 17

please look through paragraphs 9 through 11 of the

03:35:20 18

Morris declaration and let me know if there was anything

03:35:23 19

you would change if it were your declaration to make it

03:35:26 20

more accurate or truthful?

03:36:36 21

A. So this resonates.

03:36:38 22

Q. Is it all --

03:36:41 23

A. I'd have to go back and validate the dates, and

03:36:43 24

I don't know that the wording would be exactly what I

03:36:45 25

would use, but in concept, yes. There is nothing here

03:36:48 1 that I believe to be untruthful.

03:36:57 2 Q. Okay. Moving on to paragraph No. 12.

03:36:59 3 A. Okay.

03:37:02 4 Q. And 13. Actually, if you could read 12 and 13
03:37:05 5 and let me know when you've had a chance to do that.

03:37:11 6 A. Okay.

03:37:52 7 Okay.

03:37:59 8 Q. Was there any -- well, I guess my first
03:38:02 9 question is the paragraph 12 states that, "Adobe
03:38:07 10 assigned each job code a broad salary range."

03:38:12 11 Am I reading that right?

03:38:13 12 A. Uh-huh.

03:38:15 13 Q. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

03:38:24 16 [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

03:38:38 20 A. [REDACTED] The breadth of the salary range she refers
03:38:42 21 to is we apply a spread. So what we typically do is we
03:38:45 22 target the market, 65th percentile of the market, and we
03:38:48 23 create our own spread, say, let's apply a 50 percent
03:38:51 24 spread, and that creates your minimum and your maximum,
03:38:53 25 right?

03:38:54 1 Q. What do you mean a 50 percent spread?

03:38:58 2 A. So there is basically a formula that we apply,
03:39:01 3 and that formula helps us to determine what the minimum
03:39:04 4 and the maximum is going to be based on this midpoint of
03:39:09 5 the range that we target.

03:39:11 6 Q. The minimum and maximum of what?

03:39:12 7 A. The salary range.

03:39:14 8 Q. For a particular job title or a particular job
03:39:16 9 code?

03:39:16 10 A. Job code.

03:39:29 11 Q. So I'm just trying to --

03:39:31 12 A. Yeah. That's okay.

03:39:32 13 Q. Trying to understand this. So when you say
03:39:34 14 that you develop a spread, do you develop a spread for
03:39:39 15 each job code that's narrower than the salary range
03:39:43 16 itself?

03:39:44 17 A. So the market data doesn't have a salary range,
03:39:47 18 right? The market data will tell you for this job,
03:39:49 19 here's the 25th percentile value, the 50th, 75th, the
03:39:53 20 90th. We happen to target the 65th, so we take that.

03:39:58 21 So let's use, as an example, the computer
03:40:00 22 software engineer, right? That 65th market value might
03:40:03 23 be \$100,000, right? What we then do is we say we need
03:40:08 24 to create a minimum and a maximum for this range. And
03:40:11 25 what you generally do is for the vast majority of the

03:40:15 1 jobs, I think we use -- I have to go back. I haven't
03:40:17 2 looked at kind of what our approach has been, but I
03:40:21 3 think it's a 60 percent spread. So it's just a
03:40:23 4 mathematical formula, and that's applied for all the
03:40:26 5 jobs.

03:40:27 6 So the differentiation or the market data piece
03:40:30 7 comes in really in defining that midpoint value. The
03:40:33 8 minimum and the maximum are going to be the same formula
03:40:36 9 across all jobs in the company. As you start to get
03:40:39 10 into higher level jobs, i.e. senior directors and VPs,
03:40:43 11 that spread that applies, instead of 60 percent, you
03:40:45 12 might see something closer to, like, 77 percent. A
03:40:48 13 little bit of a wider band. But that's what we mean
03:40:51 14 when we talk about the spread.

03:40:54 15 Q. Okay.

03:40:55 16 A. It's very formulaic.

03:40:58 17 Q. And then do compa-ratios play any role in
03:41:03 18 targeting employees' salaries within the salary range?

03:41:08 19 MR. KIERNAN: Object to form.

03:41:10 20 THE WITNESS: Yeah -- no. Again, compa-ratio
03:41:14 21 is more something a manager uses to inform where a
03:41:18 22 person's salary is relative to the range. So if I'm
03:41:20 23 trying to think about where I want to position a person,
03:41:25 24 compa-ratio is not very helpful to me. You know, when
03:41:28 25 it is helpful to me is, you know, as I'm going through

03:41:31 1 the annual focal review process and I've got this
03:41:33 2 budget, and I'm looking at this individual and I'm
03:41:35 3 saying, oh, right now they're sitting at a compa-ratio
03:41:39 4 of, I don't know, let's say 115 percent, that tells me
03:41:43 5 they're very close to the maximum of the range.

03:41:45 6

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

03:42:25 20 MS. LEEBOVE: Q. Okay. In paragraph 13,

03:42:30 21 I'm looking at lines 22 to 23.

03:42:32 22 A. Okay.

03:42:34 23 Q. And it says, "[REDACTED]

[REDACTED]

[REDACTED]

03:50:46 1

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] Does that help?

03:51:13 12

Q. It does.

03:51:14 13

And they could be -- and in your scenario, that

03:51:18 14

employee communications manager and marketing manager

03:51:20 15

could be compensated differently as well?

03:51:22 16

A. Uh-huh. They could. Based on their

03:51:25 17

contributions. If one is new into the role versus

03:51:30 18

someone whose got more experience. There is a number of

03:51:33 19

factors. That's where that range kind of spread allows

03:51:36 20

you that flexibility, right?

03:51:38 21

Q. Does Adobe conduct any studies about where

03:51:46 22

on -- well, I guess, does Adobe conduct any studies

03:51:49 23

about where employees fall within their salary ranges?

03:51:54 24

A. Yeah. Well, when you say studies, we run

03:51:57 25

reports that show us kind of, again, you know, where

03:52:01 1 employees are falling within the ranges.

03:52:04 2 Q. And do most employees tend to fall -- well, I
03:52:10 3 mean, where do employees tend to -- is there, like, some
03:52:14 4 sort of -- I guess where is the greatest represent --
03:52:23 5 well, I don't even know how to ask this question, which
03:52:26 6 reflects my lack of sleep.

03:52:33 7 How often are employees paid at the very
03:52:36 8 bottom, the very minimum of their salary range?

03:52:42 9 MR. KIERNAN: Object to form.

03:52:43 10 THE WITNESS: I don't know how often. I'd have
03:52:44 11 to run a report to see, you know, how many people are
03:52:49 12 currently positioned at the lower end of the range. So
03:52:56 13 kind of you run these reports at a snapshot in time,
03:52:59 14 right? And people kind of are entering the work
03:53:02 15 environment and leaving the work environment.

03:53:03 16 So, you know, generally, you know, you are not
03:53:07 17 always going to see an exact replica depending on the
03:53:10 18 snapshot in time that you are taking. Like I would
03:53:13 19 venture to say that if you look at a snapshot now, it's
03:53:16 20 going to look very different than what it did
03:53:18 21 potentially a year ago.

03:53:19 22 But as part of the annual review process, we do
03:53:23 23 look at, you know, where people are positioned, you
03:53:25 24 know, how many people are above the midpoint, how many
03:53:27 25 people are below the midpoint, how many people are above

03:53:30 1

the maximum. [REDACTED]

[REDACTED] 2

[REDACTED]

[REDACTED] 3

[REDACTED]

[REDACTED] 4

[REDACTED]

03:53:44 5

MS. LEEBOVE: Q. So what would it tell you

03:53:45 6

if you see that a significant proportion of

03:53:50 7

employees are positioned at the low end of their

03:53:53 8

salary range?

03:53:54 9

A. So that would tell us that while our ranges may

03:53:57 10

be competitive, where people are positioned to those

03:54:00 11

ranges is low, and, you know, we would probably request

03:54:05 12

some additional funding to help kind of move that along.

03:54:09 13

The problem with that is we're always constrained by

03:54:11 14

that conversation with finance to say, you know, can we

03:54:15 15

afford it or not.

03:54:16 16

And you see that happening not so much in the

03:54:18 17

U.S. because it's a mature market and we -- there is not

03:54:21 18

a lot of volatility, so people's positioning doesn't

03:54:25 19

tend to shift as much. But again, in these those

03:54:27 20

emerging markets, Romania, India you see people shifting

03:54:32 21

in their positions all the time.

03:54:33 22

Q. And you mentioned having to go to finance to

03:54:35 23

ask for more money or ask for money. Who is it -- who

03:54:40 24

is it within finance who you interface with? Who

03:54:44 25

compensation interfaces with?

03:54:45 1 A. We interface with the VP of FP&A, financial
03:54:49 2 planning and analysis. And so the person we had been
03:54:54 3 interfacing with left, so I don't know who that
03:54:58 4 replacement will be for next year.

03:55:01 5 Q. Had you -- had -- in your time in the
03:55:03 6 compensation department, had you been interfacing with
03:55:05 7 this particular VP of FP&A --

03:55:09 8 A. For many years.

03:55:09 9 Q. -- for many years.

03:55:10 10 Did you consult with this person -- was he or
03:55:12 11 she your point person in finance throughout the class
03:55:15 12 period?

03:55:16 13 A. Oh, gosh.

03:55:17 14 Q. When I say "your," I mean the compensation
03:55:19 15 department.

03:55:19 16 A. Yeah. The compensation department. Yeah.
03:55:21 17 Probably, if not directly with him, somebody within his
03:55:25 18 team.

03:55:27 19 Q. And what is -- what was the VP of FP&A's name?

03:55:32 20 A. Joe Namath.

03:55:36 21 Q. Joe Namath?

03:55:38 22 A. Like the football player.

03:55:39 23 Q. Was there anybody else that you dealt with
03:55:42 24 in -- tell me what FP&A stands for.

03:55:45 25 A. Financial planning and analysis.

03:59:15 1

Q. [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

Do you see that in

03:59:29 4

paragraph 16?

03:59:30 5

A. Yeah.

03:59:30 6

Q. [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

04:00:27 24

Q. But there are genuinely no instances where HR

04:00:30 25

has clipped a manager's discretion?

04:00:32 1 A. Not that I've personally been involved in.

04:00:34 2 Somebody unbeknownst to me, but no.

04:00:39 3 Q. And tell me how did -- and by -- is it fair --

04:00:44 4 is it fair to refer to compensation as HR?

04:00:47 5 A. We're part of HR.

04:00:48 6 Q. Okay. So Ms. Morris writes at lines 18 to 19

04:00:54 7 on page 5 --

04:00:55 8 A. Yeah.

04:00:56 9 Q. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

04:01:45 1

[REDACTED]

[REDACTED] 2

[REDACTED]

[REDACTED] 3

[REDACTED]

[REDACTED] 4

[REDACTED]

[REDACTED] 5

[REDACTED]

04:02:01 6

You know, in the tool, as an example, if you

04:02:03 7

are a manager and you go to give an increase to someone

04:02:06 8

that's above the maximum of the range, it will tell you,

04:02:09 9

hey, do you know the person is above the maximum in the

04:02:12 10

range. Still move forward, but it kind of -- you know.

04:02:15 11

Q. It will accept the change but with a warning?

04:02:20 12

A. Yeah.

04:02:26 13

Q. How many times can an employee -- can an

04:02:29 14

employee be a low performer before they're asked to

04:02:32 15

leave the company?

04:02:33 16

MR. KIERNAN: Object to form.

04:02:34 17

THE WITNESS: That, I don't know. I don't know

04:02:36 18

about that.

04:02:39 19

MS. LEEBOVE: Q. Is there a point at which

04:02:41 20

a person who is a -- an employee who is a low

04:02:43 21

performer year after year is asked to leave?

04:02:48 22

A. That's kind of case by case, I'm sure. Our

04:02:51 23

lawyers get involved. I would tell you that me as a

04:02:55 24

manager, it wouldn't take -- I wouldn't want year after

04:02:57 25

year of low performance before I dealt with that issue.

04:02:59 1 But it's going to be situational, right?

04:03:19 2 Q. [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

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[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

04:04:33 1

[REDACTED]

[REDACTED] 1

[REDACTED]

[REDACTED] 1

[REDACTED]

[REDACTED] 1

[REDACTED]

[REDACTED] 1

[REDACTED]

04:04:48 6

Q. Does this roll-up process actually roll up to

04:04:50 7

this CEO of the company?

04:04:52 8

A. It does. Ultimately the CEO is kind of

04:04:58 9

responsible for, you know, at a company level what

04:05:03 10

budget do we come in, what does the distribution look

04:05:05 11

like. So at any point in time, Shantanu could go look

04:05:10 12

at anybody's record.

04:05:12 13

Q. Has Mr. Narayen ever blocked a salary increase

04:05:16 14

for an individual employee?

04:05:22 15

A. Not that I'm aware of.

04:05:23 16

Q. Or required a salary increase for an employee

04:05:25 17

who wasn't going to receive one?

04:05:27 18

A. Not that I know of. I think Shantanu is

04:05:28 19

probably more focused on his directs more than anybody

04:05:31 20

else.

04:05:44 21

Q. How does Adobe determine bonus and equity

04:05:46 22

grants?

04:05:50 23

A. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

04:06:07 1

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

04:07:07 17

Q. How is there -- well, how substantial can an

04:07:10 18

employee's equity share -- or how substantial an equity

04:07:15 19

share award can an employee receive -- or what's the

04:07:18 20

maximum equity share award an employee can receive for a

04:07:22 21

given year?

04:07:23 22

MR. KIERNAN: Object to form.

04:07:26 23

THE WITNESS: Yeah. So, there is a difference

04:07:27 24

between shares and value. So we create a pool of shares

04:07:36 25

based on kind of the budget availability, market

04:15:29 1 determine what it is they want to pay.

04:15:31 2 Q. How is that salary range created?

04:15:34 3 A. We create that salary range through the process
04:15:36 4 that I described earlier where we are benchmarking
04:15:41 5 specific jobs to the market, and we either adjust them
04:15:45 6 up or down based on what the market is telling us by
04:15:49 7 targeting that 65th percentile of the market.

04:15:53 8 Q. Do managers target the midpoint of the range
04:15:58 9 for new hires?

04:15:59 10 MR. KIERNAN: Objection. Form.

04:16:01 11 THE WITNESS: Yeah. I don't know what they
04:16:03 12 specifically target. We educate managers that they need
04:16:05 13 to think about a number of things, right? So they need
04:16:09 14 to look at skill level of an individual, the potential
04:16:16 15 expertise that they're bringing to the table, they need
04:16:19 16 to look at kind of what's happening within their overall
04:16:22 17 team, their budget. There is a number of things that
04:16:26 18 managers have to think about when they determine what
04:16:28 19 that amount is going to be.

04:16:51 20 MS. LEEBOVE: Would you please mark this the
04:16:53 21 next in order, Exhibit 2496.

04:17:07 22 (Whereupon, Exhibit 2496 was marked for
04:17:07 23 identification.)

04:17:09 24 MS. LEEBOVE: Q. Ms. Arriada-Keiper,
04:17:10 25 you've been handed Exhibit 2496. It's a -- well, a

04:17:15 1 several-page document that begins on ADOBE_086273

04:17:19 2 and runs through 086276.

04:17:21 3 A. Yes.

04:17:27 4 Q. If you could have a look at it and let me know
04:17:30 5 when you've done so.

04:17:31 6 A. I've seen this.

04:17:32 7 Q. Do you need more time?

04:17:33 8 A. No.

04:17:33 9 Q. Can you tell me what Exhibit 2496 is?

04:17:36 10 A. Yes. It's a template that we use when we need
04:17:38 11 to create a job code and get it entered into SAP.

04:17:45 12 Q. This document says at the top that it was
04:17:47 13 revised in April of '03?

04:17:50 14 A. Okay.

04:17:51 15 Q. And the second page, 086274 says it was revised
04:17:54 16 in April of '02. But have these form -- have these
04:18:01 17 forms been further revised since those dates?

04:18:04 18 A. I don't know. I'd have to go check with the
04:18:06 19 team. I don't do these anymore.

04:18:10 20 Q. Did you used to use these forms?

04:18:12 21 A. Uh-huh. In my days as a comp analyst, I sure
04:18:15 22 did.

04:18:19 23 Q. So can you walk me through how you would fill
04:18:22 24 this out? How would you know what job code to put in
04:18:24 25 that first line?

```
04:19:54 25 | what jobs are considered exempt jobs, and which ones are
```

04:19:57 1 considered nonexempt jobs in terms of overtime pay,
04:20:00 2 right? So that's kind of dictated to us by law.

04:20:06 3 The functional area will describe is this an HR
04:20:10 4 job, is it an R&D job, is it a sales job. The job
04:20:14 5 function gets into a little bit more specificity. So,
04:20:18 6 you know, if it's an R&D job, is it development? Is it
04:20:22 7 UI? Is it QE? And then within the job family it's
04:20:27 8 exactly what type of benchmark data are you using.

04:20:32 9 So, you know, within R&D, within development,
04:20:36 10 you might have, I don't know, computer scientist versus
04:20:43 11 systems scientist. So it's a level of granularity below
04:20:48 12 the job function. And then you have manager level which
04:20:51 13 determines is this an individual contributor job, or is
04:20:54 14 this a career level manager, a senior manager, a
04:20:59 15 director level, a senior director VP.

04:21:05 16

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

04:21:19 21 And the stock level is the same. A job family
04:21:23 22 has an associated stock level and a stock category which
04:21:27 23 determines how many shares an employee gets.

04:21:29 24 So these are all what we refer to as attributes
04:21:32 25 of a job. So when we create a job internally, you kind

04:21:37 1 of have to put all these inputs into a system, and they
04:21:40 2 help drive a lot of different things. Like what's the
04:21:43 3 salary range going to be? What's the new hire equity
04:21:45 4 grant guideline that you give to a particular position?
04:21:47 5 What's the incentive target for a particular role? It's
04:21:51 6 all very prescribed.

04:21:52 7

Q. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

04:22:18 13 Q. And is there a list somewhere? And maybe it --

04:22:25 14 I was thinking maybe it was attached as page 2. [REDACTED]

[REDACTED]

04:22:32 16 A. Yeah. So it's kind of a misnomer, because we

04:22:35 17 don't have grades at Adobe. [REDACTED]

[REDACTED]

04:22:41 19 So if you go to the top there where it says job code, that was the

04:22:41 20 number I told you that SAP kind of randomly or

04:22:46 21 automatically creates. [REDACTED]

[REDACTED]

[REDACTED]

04:23:12 24 Q. I'm looking back to my notes because you

04:23:14 25 mentioned SAP.

04:23:15 1 A. Yep.

04:23:16 2 Q. And was SAP the old system or is SAP the
04:23:17 3 current -- I'm thinking back to whether I have any
04:23:24 4 questions for you about Taleo versus -- tell me what SAP
04:23:31 5 stands for.

04:23:32 6 A. I don't know. It's the German company.

04:23:34 7 MR. KIERNAN: Well, it's just a -- but --

04:23:36 8 THE WITNESS: It's the salary planning tool.

04:23:38 9 So I think what I'm -- so what we referenced was the
04:23:41 10 salary planning tool. When I say SAP, that is our
04:23:45 11 database for where we keep all HR information.

04:23:48 12 MR. KIERNAN: There is many, many SAP products.

04:23:50 13 MS. LEEBOVE: Okay.

04:23:51 14 MR. KIERNAN: Salary tool being one, then --

04:23:53 15 THE WITNESS: A recruiting tool. Learning and
04:23:54 16 development. They have different modules.

04:23:57 17 MR. KIERNAN: Right.

04:23:57 18 THE WITNESS: Yeah.

04:23:58 19 MS. LEEBOVE: Q. So is SAP just one of
04:24:00 20 Adobe's vendors that you buy HR software from?

04:24:04 21 A. They're one of our partners. And a couple of
04:24:07 22 the products of theirs that we use is we use their
04:24:10 23 database to store all employee information. We also use
04:24:13 24 them from a salary planning tool perspective. I believe
04:24:17 25 finance uses them for their accrual and expense

04:24:20 1 tracking. So yeah.

04:24:23 2 Q. I don't think I've asked you this, but is there
04:24:25 3 a list of Adobe job codes somewhere?

04:24:27 4 A. If you go to the salary range website that all
04:24:29 5 managers can access, every code is listed there.

04:24:34 6 Q. Do employees know their salary ranges?

04:24:36 7 A. Yes. Well, if they ask. So let me -- we used
04:24:47 8 to have a practice where we actually printed it on their
04:24:51 9 annual review letters. I don't think we're doing that
04:24:53 10 anymore. I'd have to check. But at any point in time
04:24:55 11 they can just ask and get it. It's not like it's a
04:24:58 12 secret.

04:24:58 13 Q. Okay. And you mentioned, again in discussing
04:25:01 14 this sheet, the formula that Adobe uses to determine the
04:25:07 15 minimum and maximum once you've targeted the midpoint of
04:25:10 16 a salary range.

04:25:11 17 A. Yeah.

04:25:12 18 Q. Did that formula remain constant over the class
04:25:15 19 period?

04:25:15 20 A. No, it's changed. And I couldn't tell you, you
04:25:18 21 know, when and to what values. But when I initially
04:25:22 22 joined the company, we used 50 percent spreads for the
04:25:26 23 vast majority of roles, and then I think it was like a
04:25:29 24 75 percent spread for your senior levels. Since then
04:25:32 25 it's changed, and I don't really know where they're

04:25:34 1 sitting at today.

04:25:37 2 Q. Okay. Where do job levels come from?

04:25:40 3 A. [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

04:26:28 16 A. Yeah. I -- you know, and I have to go back.

04:26:31 17 I'm getting to a level of granularity that -- I haven't

04:26:36 18 been in the work in a long time. [REDACTED]

[REDACTED] [REDACTED] let's say -- I'll give you an

04:26:46 20 example; quality engineers. In the market, there may be

04:26:50 21 six levels from an individual contributor perspective.

04:26:54 22 [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

04:27:06 1

[REDACTED]

[REDACTED] 2

[REDACTED] [REDACTED]

[REDACTED] 3

[REDACTED] [REDACTED]

[REDACTED] 4

[REDACTED]

[REDACTED] 5

[REDACTED]

[REDACTED] 6

[REDACTED]

[REDACTED] 7

[REDACTED]

04:27:27 8

Q. Okay.

04:27:27 9

A. Yeah.

04:27:42 10

Q. Is there anything you disagree with in

04:27:44 11

paragraph 34 of -- well, I frankly don't recall whether

04:27:50 12

you've reviewed and --

04:27:54 13

MR. KIERNAN: Thirty-two.

04:27:54 14

THE WITNESS: I stopped at 31.

04:27:55 15

MS. LEEBOVE: Q. Could you review 32

04:27:57 16

through the end and let me know if there is anything

04:27:59 17

in here that you would change to make it more

04:28:01 18

truthful or accurate from your perspective.

04:29:29 19

A. Okay.

04:29:30 20

Q. Is there anything you've seen in the remainder

04:29:32 21

of the Morris declaration that you would change to make

04:29:34 22

it more truthful or accurate from your perspective?

04:29:37 23

A. No.

04:29:37 24

Q. Okay. Thank you.

04:29:41 25

Mr. Kiernan did you want to take a break?

04:29:42 1 MR. KIERNAN: Yeah.

04:29:43 2 THE VIDEOGRAPHER: This is the end of video
04:29:44 3 No. 5.

04:29:45 4 The time is 4:29 p.m. We're going off the
04:29:47 5 record.

04:29:48 6 (Recess taken.)

04:45:32 7 THE VIDEOGRAPHER: This is the beginning of
04:45:32 8 video No. 6.

04:45:33 9 The time is 4:45 p.m. We're back on the
04:45:36 10 record.

04:45:41 11 MS. LEEBOVE: Q. Ms. Arriada-Keiper, I
04:45:43 12 have just a couple of sort of randomish questions
04:45:45 13 for you in that they don't connect to what we were
04:45:48 14 previously talking about or what we will talk about.

04:45:50 15 But have you ever been involved in making a
04:45:52 16 counteroffer to an employee who was -- who indicated he
04:45:56 17 or she would -- was planning to leave Adobe for another
04:46:00 18 job?

04:46:03 19 A. I am trying to remember whether I have been. I
04:46:10 20 don't remember a specific example, but I must have been
04:46:13 21 at some point.

04:46:17 22 Q. Do you remember the details of any instance
04:46:19 23 where you were involved in preparing a counteroffer for
04:46:21 24 an employee?

04:46:22 25 A. I don't, no.

05:40:35 1 you know, as we've been saying kind of all along, is
05:40:38 2 that internal equity is a factor that they have to
05:40:40 3 consider. So, you know, depending on the individual
05:40:45 4 scenario and the situation, they may make that decision.

05:40:49 5 We ask them to consider internal equity when
05:40:51 6 they're making their salary decisions. That's what
05:40:55 7 she's doing here. And I don't have the full detail
05:41:00 8 here, so it's kind of hard to surmise. But if I had to,
05:41:06 9 again, speculate here, it probably has something to do
05:41:08 10 with the performance level and not being aligned to the
05:41:11 11 recommendations.

05:41:13 12 MS. LEEBOVE: Okay. Well, I do not have any
05:41:17 13 further questions.

05:41:22 14 THE WITNESS: Yay.

05:41:23 15 MS. LEEBOVE: Do you?

05:41:24 16 MR. KIERNAN: (Nonverbal response.)

05:41:24 17 THE VIDEOGRAPHER: This is the end of video
05:41:26 18 No. 6 and the conclusion of today's proceeding.

05:41:29 19 The time is 5:41 p.m. We're off the record.

05:41:34 20 (The deposition concluded at 5:41 PM)

05:41:34 21

22

23

24

25

1 I, Gina V. Carbone, Certified Shorthand
2 Reporter licensed in the State of California, License
3 No. 8249, hereby certify that the deponent was by me
4 first duly sworn and the foregoing testimony was
5 reported by me and was thereafter transcribed with
6 computer-aided transcription; that the foregoing is a
7 full, complete, and true record of said proceedings.

8 I further certify that I am not of counsel or
9 attorney for either of any of the parties in the
10 foregoing proceeding and caption named or in any way
11 interested in the outcome of the cause in said caption.

12 The dismantling, unsealing, or unbinding of
13 the original transcript will render the reporter's
14 certificates null and void.

15 In witness whereof, I have hereunto set my
16 hand this day: April 10, 2013.

17 ___X___ Reading and Signing was requested.

18 _____ Reading and Signing was waived.

19 _____ Reading and signing was not requested.

20

21

22

23

GINA V. CARBONE

24

CSR 8249, CRR, CCRR

25

EXHIBIT D

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

IN RE: HIGH-TECH EMPLOYEE)
ANTITRUST LITIGATION)
) No. 11-CV-2509-LHK
THIS DOCUMENT RELATES TO:)
ALL ACTIONS.)

DEPOSITION OF: DONNA MORRIS

HIGHLY CONFIDENTIAL - ATTORNEYS' EYES ONLY

August 21, 2012

Reported by: Anne Torreano, CSR No. 10520

01:47:06 1 Do you see that?

01:47:06 2 A. Correct, yes.

01:47:07 3 Q. So you're saying your team includes the
01:47:08 4 recruiters at this point?

01:47:10 5 A. Yes.

01:47:11 6 Q. Okay. And HR consulting, that's part of HR?

01:47:18 7 A. That is, yes.

01:47:19 8 Q. Right?

01:47:19 9 So you're saying you need to think about the
01:47:24 10 consultation going on between the recruiters and
01:47:27 11 consulting, to talk about when and if people are being
01:47:31 12 outside -- hired outside the salary range for a
01:47:34 13 category?

01:47:34 14 A. Well, I don't know if specifically I was
01:47:37 15 saying that. I'm saying just in general the
01:47:40 16 partnership between the recruiters and HR consulting,
01:47:42 17 is what I see here.

01:47:43 18 Q. And one of the things you say is that you need
01:47:49 19 to make sure or she needs to make sure -- Ms. Swarthout
01:47:53 20 needs to make sure that if people are being hired
01:47:55 21 outside the salary range for a particular job category,
01:47:58 22 that your team, the recruiters and HR consulting, are
01:48:02 23 being brought into the process? Is that part of what
01:48:04 24 you're saying?

01:48:05 25 MR. KIERNAN: Objection. Misstates the

01:48:07 1 testimony.

01:48:07 2 THE WITNESS: I'm not saying that.

01:48:09 3 What I'm reading is that we were to -- we
01:48:13 4 want -- you know, I expressed the desire to meet with
01:48:18 5 Ellen and discuss the situation. So that's what this
01:48:21 6 says.

01:48:21 7 BY MR. CRAMER:

01:48:21 8 Q. And then you said, "especially considering
01:48:23 9 this could impact internal equity."

01:48:25 10 Do you see that?

01:48:25 11 A. Yes.

01:48:25 12 Q. What does that mean?

01:48:27 13 A. Internal equity is just parity between
01:48:31 14 candidates and employees. So the difference in pay
01:48:33 15 between employees that are already part of our team
01:48:36 16 versus employees that we're hiring into the company.

01:48:39 17 Q. So there's some concept called "internal
01:48:42 18 equity" whereby if you hire an employee outside the
01:48:46 19 range for a particular job category, that could create
01:48:50 20 some issues with equity within the company?

01:48:53 21 A. That's not really what the concept of internal
01:48:55 22 equity is.

01:48:55 23 Q. All right. Explain it to me.

01:48:57 24 A. So internal equity is about looking at skills
01:49:01 25 and capabilities which are similar. There's a lot of

01:49:05 1 factors that come into consideration, but skills and
01:49:08 2 capabilities that are similar. Is their eventual
01:49:12 3 earning potential similar within a range? It's not to
01:49:14 4 say that they are paid the exact same, but are they at
01:49:17 5 least within the same range?

01:49:19 6 So this would be indicating of how do we
01:49:21 7 ensure that people are put in the right range in -- you
01:49:26 8 know, based on their job.

01:49:27 9 Q. Did you subsequently talk -- you said in the
01:49:34 10 last paragraph, "Look forward to our discussion, and my
01:49:37 11 thanks for being a champion to this happening."

01:49:39 12 Did you in fact have a discussion with
01:49:41 13 Ms. Swarthout about these issues?

01:49:44 14 A. If I did, I don't recall.

01:49:45 15 Q. Okay. It's fair to say that in July 2004 you
01:50:07 16 considered recruiters part of your team in HR?

01:50:09 17 A. That was a key part of my responsibilities,
01:50:12 18 yes.

01:50:12 19 Q. Why -- you said, in the second sentence of the
01:50:19 20 first paragraph, "especially considering this could
01:50:23 21 impact internal equity."

01:50:25 22 Was the "this" you were referring to hiring
01:50:27 23 people outside the salary range?

01:50:29 24 A. Yes.

01:50:30 25 Q. Okay. So that was a concern of yours in HR,

01:54:15 1 found that problematic at all, when there's substantial
01:54:20 2 variability between employee compensation within the
01:54:23 3 same job category?

01:54:24 4 A. No.

01:54:25 5 Q. Has it ever come to your attention that there
01:54:29 6 were morale problems caused by variability in salary
01:54:34 7 for a similar job category?

01:54:36 8 A. No.

01:54:36 9 Q. I think I asked a little bit about this
01:54:52 10 before, but let me ask it more broadly.

01:54:55 11 What steps, if any, does Adobe take to ensure
01:54:58 12 that salaries for particular job categories are
01:55:02 13 generally kept within that salary range for that
01:55:05 14 category?

01:55:06 15 A. What do you mean, within the salary range for
01:55:09 16 that category?

01:55:09 17 Q. Well, I believe you testified that each job
01:55:12 18 title or category has its own min and max base salary
01:55:15 19 range?

01:55:15 20 A. Right.

01:55:16 21 Q. What steps does Adobe take to make sure
01:55:19 22 that -- if it does at all, that the salaries for people
01:55:23 23 within a category fall within the min/max range?

01:55:27 24 A. So I would say we don't have a lot of steps
01:55:32 25 that we take. We have salary ranges, and annually,


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01:57:58 25 | Explain to me when -- in what circumstance
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01:58:00 1 would you give a spot bonus?

01:58:02 2 A. [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

01:58:37 14 MR. CRAMER: I'm going to mark the next

01:58:38 15 document as Plaintiffs' Exhibit 215.

01:58:43 16 (PLAINTIFFS' EXHIBIT 215 MARKED.)

01:58:54 17 MR. CRAMER: For the record, this bears the

01:58:56 18 Bates range ADOBE_028449 through 8452, and there's a

01:59:06 19 cover e-mail and then an attachment. I really only

01:59:09 20 want to ask about the cover e-mail.

01:59:11 21 The cover e-mail is an e-mail from Christy

01:59:14 22 Brandt, dated Thursday, November 10, 2005, and it's

01:59:18 23 sent to Jeff Vijungco. And it is cc'd to Ms. Morris

01:59:22 24 and Dave Story.

01:59:36 25 BY MR. CRAMER:

05:58:39 1 your general counsel in which you received briefing
05:58:41 2 regarding the meaning of the antitrust laws?

05:58:44 3 A. A number of times.

05:58:45 4 Q. Were there other people present?

05:58:46 5 A. For some of those meetings, yes.

05:58:52 6 MR. CRAMER: All right. That's all the
05:58:52 7 questions I have. Thanks.

05:58:56 8 Anybody else?

05:58:59 9 All right. That's it. Go off the record.

05:59:01 10 THE VIDEOGRAPHER: This is the end of video 4
05:59:03 11 and conclusion of today's proceedings. The time is
05:59:06 12 5:59 p.m. We're off the record.

13 (Deposition adjourned at 5:59 p.m.)

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1 REPORTER'S CERTIFICATE

2 I, Anne Torreano, Certified Shorthand Reporter
3 licensed in the State of California, License No. 10520,
4 hereby certify that the deponent was by me first duly
5 sworn, and the foregoing testimony was reported by me
6 and was thereafter transcribed with computer-aided
7 transcription; that the foregoing is a full, complete,
8 and true record of said proceedings.

9 I further certify that I am not of counsel or
10 attorney for either or any of the parties in the
11 foregoing proceeding and caption named or in any way
12 interested in the outcome of the cause in said caption.

13 The dismantling, unsealing, or unbinding of
14 the original transcript will render the reporter's
15 certificates null and void.

16 In witness whereof, I have subscribed my name
17 this 31st day of August, 2012.

18
19 [X] Reading and Signing was requested.

20 [] Reading and Signing was waived.

21 [] Reading and Signing was not requested.
22
23

24 _____
ANNE M. TORREANO, CSR No. 10520
25

EXHIBIT F

1 UNITED STATES DISTRICT COURT
2 NORTHERN DISTRICT OF CALIFORNIA
3 SAN JOSE DIVISION
4

5 IN RE: HIGH-TECH EMPLOYEE)
6 ANTITRUST LITIGATION)
7) No. 11-CV-2509-LHK
8 THIS DOCUMENT RELATES TO:)
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VIDEO DEPOSITION OF DEBORAH STREETER

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April 5, 2013

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Reported by: Anne Torreano, CSR No. 10520

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1 Q. Do you recall any of the -- the compensation
2 textbooks that you looked at?

3 A. Yes.

4 Q. Okay. Could you give me the -- the ones you
10:06:21 5 remember?

6 A. Well, you have Total Rewards strategy, you
7 have overall Total Rewards, you have market pricing,
8 you have quantitative methods. I can't remember them
9 all, but ...

10:06:34 10 Q. Okay.

11 A. Job analysis.

12 Q. Now, did you obtain this training while you
13 were working at Adobe?

14 A. Yes.

10:06:43 15 Q. Okay. And have you continued to attend
16 training sessions to keep current or updated or
17 refreshed on some of these subjects?

18 A. No.

19 Q. Okay. Is there any in-house training at Adobe
10:06:57 20 regarding compensation?

21 A. For us to keep learning compensation?

22 Q. Yes.

23 A. No.

24 Q. Okay. So let me ask the next question.

10:07:07 25 Do you -- does your organization or people

1 that support your organization provide in-house
2 training to business people and other people you
3 support regarding the compensation system or
4 compensation methodologies or compensation practices?

10:07:21 5 A. Yes.

6 Q. Is that an -- is that a function that your
7 organization performs?

8 A. In partnership with our L&D organization. So
9 a lot of times they'll create the content for us and
10:07:31 10 they'll help deliver it, and we'll be there as, you
11 know, backups. Sometimes we'll lead it, depending on
12 resource levels.

13 Q. Did you say L&D?

14 A. Uh-huh, learning and development.

10:07:40 15 Q. Okay.

16 A. Sorry.

17 Q. Sorry.

18 And do -- do the learning and development
19 folks or you develop written materials that you use for
10:07:53 20 training purposes?

21 A. Yes.

22 Q. Is there a compensation manual or something
23 like that that's used internally?

24 A. We have what's called Compensation 101, and
10:08:01 25 it's kind of like a manual, and we post it online.

1 Q. Okay. So are there -- separate or apart from
2 what's posted online, are there written materials?

3 A. We have lots of materials that are actually
4 online.

10:08:15 5 Q. Okay.

6 A. But that's nothing that we give to people,
7 hand out or anything like that.

8 Q. Okay. So you're a technology company, so
9 you --

10:08:22 10 A. Yes. We don't --

11 Q. -- have online stuff?

12 A. We don't have a lot of paper.

13 Q. Okay. So is it kept on a Wiki or is it kept
14 in a particular place where people go? I mean, how do
10:08:31 15 they find that stuff?

16 A. On our internal web site.

17 Q. Okay. And do you recall generally what the
18 address is or -- if I asked for it, would I -- where
19 I -- if I had access internally, how would I get to it?

10:08:40 20 A. Well, you would just go to Inside Adobe --

21 Q. Okay.

22 A. -- and look under "compensation."

23 Q. Okay. And it's there?

24 A. Yes.

10:08:44 25 Q. Okay. And does that information include

1 information that describes the annual review process?

2 A. It's not posted all year, because the annual
3 review process could potentially change. So we post
4 information when it gets close to the annual review
10:09:03 5 process to outline what the process is.

6 Q. Okay. And again, is that material that you or
7 your organization post when it's at the appropriate
8 time?

9 A. Yes, in partnership with learning and
10:09:12 10 development.

11 Q. Okay. Great.

12 So other than the kind of in-house training
13 that you and L&D provide, is there other in-house
14 training at Adobe regarding compensation?

10:09:28 15 MR. KIERNAN: I'm going to object to form.

16 THE WITNESS: Not -- not that I recall.

17 BY MR. SAVERI:

18 Q. Okay. Now, does Adobe use or hire outside
19 consultants for purposes of compensation?

10:09:41 20 A. Yes.

21 Q. And could you describe for me which
22 consultants Adobe hires?

23 A. So for executive compensation we hire
24 Compensia now. In that time frame it was somebody

10:09:54 25 else, but I'm not quite sure who it was. I think it

1 was Semler Brossy.

2 And then for general compensation we use
3 Radford, and then as well as we use iPass from a survey
4 perspective.

10:10:08 5 Q. What's the name of the company?

6 A. iPass. It's a survey.

7 Q. And --

8 A. I --

9 Q. I-P-A-S-S?

10:10:13 10 A. Correct.

11 Q. Do you use Croner at all?

12 A. No.

13 Q. Okay. Have you ever used Croner?

14 A. I've never heard of it.

10:10:20 15 Q. Okay. And a minute ago you -- you said that
16 you used Compensia for executive compensation?

17 A. Currently, yes.

18 Q. Okay. When you say "executive compensation,"
19 could you give me a sense of kind of what level of the
10:10:35 20 organizational structure you're talking about when you
21 say "executive"?

22 A. Officers and above.

23 Q. So are you familiar with the term "Section 16
24 officers"?

10:10:42 25 A. Yes. That's what I'm talking about.

1 Q. Okay. And does -- does that include the --
2 the top executives at the company, for example, the CEO
3 and at that level? Is the compensation -- is Compensia
4 used for setting or determining that level of
10:11:11 5 compensation as well?

6 A. That's the only group that they're --

7 Q. Okay.

8 A. -- responsible for.

9 Q. As you sit here today, if you wanted to
10:11:29 10 identify a book or a treatise or some kind of
11 authoritative source on compensation matters, is there
12 something that you would identify as something that you
13 go to to use to look things up, that kind of thing?

14 A. No.

10:11:44 15 Q. Okay. Let me ask you some more kind of
16 general questions about Total Rewards.

17 Other than the -- first, other than the Total
18 Rewards, is it -- and again, is it a system or a
19 structure or -- what's the best way to refer to it? Or
10:12:10 20 maybe I'll just call it "Total Rewards."

21 MR. KIERNAN: Object to form.

22 BY MR. SAVERI:

23 Q. Well, let me just ask -- maybe we'll work
24 towards it.

10:12:16 25 What is -- other than Total Rewards, is there

1 another system or organization that -- that determines
2 compensation at Adobe?

3 A. No.

4 Q. Okay. What's the business purpose of Total
10:12:32 5 Rewards?

6 A. To ensure that we can stay market competitive
7 and compensate and reward our employees.

8 Q. Okay. So does Total Rewards provide a system
9 of compensation for Adobe employees?

10:12:55 10 A. Not a system. It's a structure.

11 Q. Okay. Through Total Rewards, does Adobe align
12 its compensation system with the business goals and
13 purposes of Adobe?

14 MR. KIERNAN: Object to form.

10:13:14 15 THE WITNESS: Yeah. Yes.

16 BY MR. SAVERI:

17 Q. And does Total Rewards assist Adobe in
18 recruiting and retaining talent?

19 A. Does Adobe?

10:13:27 20 Q. Does -- does Total Rewards provide -- let me
21 ask a better question.

22 Does -- does Total Rewards assist Adobe in its
23 efforts to recruit and retain talent?

24 A. Yes.

10:13:43 25 Q. Okay. From your perspective, is a successful

1 Total Rewards structure mission critical to Adobe
2 succeeding?

3 MR. KIERNAN: Object to form.

4 THE WITNESS: I wouldn't say it's mission
10:14:01 5 critical, no.

6 BY MR. SAVERI:

7 Q. How long has the Total Rewards system been in
8 place?

9 A. The structure has been in place since I've
10:14:12 10 known it.

11 Q. Okay. Was there another name for the -- for
12 it at a previous point in time?

13 A. I have -- I don't know.

14 Q. Okay. So as -- when you got to the company,
10:14:24 15 the Total Rewards structure was in place?

16 A. Yes.

17 Q. And you understand that when you got there it
18 had been in place at least for some period of time?

19 A. Yes.

10:14:30 20 Q. Do you know when Total Rewards was first
21 implemented?

22 A. No.

23 Q. Does it go back to the beginning of the
24 company?

10:14:43 25 A. I have no idea.

1 Q. Okay. Does Total Rewards, at least the
2 structure of compensation in Total Rewards, is it
3 consistent with -- to the best of your knowledge,
4 industry -- standard industry practices regarding
10:15:21 5 compensation structures?

6 MR. KIERNAN: Object to form.

7 THE WITNESS: So I don't know what
8 "consistent" means. Right? So ...

9 BY MR. SAVERI:

10:15:29 10 Q. Well, you -- you --

11 A. I don't know what other companies do.

12 Q. You -- do you participate from time to time
13 with -- well, first, do you participate from time to
14 time with meetings or conversations with compensation
10:15:42 15 or HR peers?

16 A. Rarely, but yes.

17 Q. From time to time you do?

18 A. Yes.

19 Q. Do you understand that the Adobe system
10:15:51 20 resembles in -- to a fair degree the structures that
21 other -- that other peer companies have?

22 A. It would be similar.

23 Q. Now, you also participate in Radford; correct?

24 A. Correct.

10:16:07 25 Q. Do -- do you have any role in providing

1 information to Radford on behalf of Adobe?

2 A. My team does. I don't personally.

3 Q. Okay. So people on your team from time to
4 time provide certain information to Radford?

10:16:22 5 A. Correct.

6 Q. And in addition, Adobe is a subscriber to
7 Radford?

8 A. Yes.

9 Q. So in connection -- and one of the things
10:16:30 10 Adobe pays for as a subscriber is the Radford surveys;
11 correct?

12 A. Correct.

13 Q. So Adobe gives information and receives
14 information back?

10:16:37 15 A. Correct.

16 Q. Generally can you tell me what information
17 your organization provides to Radford?

18 A. I'm not -- probably not close enough to that
19 to --

10:16:48 20 Q. Or can you just give me a general -- a general
21 sense as you can -- that you feel comfortable with?

22 MR. KIERNAN: You guys are pretty good, but
23 you've been talking over one another. So what I
24 would -- let him finish his question --

10:16:59 25 THE WITNESS: Okay.

1 MR. KIERNAN: -- maybe pause a little bit --

2 THE WITNESS: Okay.

3 MR. KIERNAN: -- and then --

4 BY MR. SAVERI:

10:17:02 5 Q. So -- so my -- so my question, Ms. Streeter,
6 is, can you tell me generally, to the best of your
7 knowledge, what kind of information the organization
8 provides to Radford?

9 A. So we provide salary information for our
10:17:19 10 employees, job codes, number of employees and salary
11 information.

12 Q. And does Adobe receive similar information
13 back from Radford?

14 A. Yes.

10:17:31 15 Q. But it's -- is the information that Radford
16 provides back aggregate information?

17 A. Correct.

18 Q. And does Radford also provide information like
19 median or averages for the job titles or job
10:17:51 20 classification, aggregate data they provide back to
21 Adobe?

22 A. Yes.

23 Q. Okay. And does -- is the -- is the
24 information that -- does Adobe use the information it
10:18:14 25 receives back from Radford as part of its work in

1 developing its own compensation structure, that is,
2 Total Rewards?

3 A. Yes.

4 Q. Does -- at a general level, does the Radford
10:18:38 5 information that Adobe receives allow Adobe to -- to
6 generally make apple-to-apple comparisons regarding
7 compensation in the marketplace?

8 MR. KIERNAN: Object to form.

9 THE WITNESS: Yeah, I don't -- I don't know
10:19:02 10 whether I would say "apple-to-apple." We get the
11 general information back.

12 BY MR. SAVERI:

13 Q. But you provide information to Radford;
14 correct?

10:19:11 15 A. Correct.

16 Q. And when you do that, it's provided -- you
17 provide information regarding Adobe's compensation;
18 correct?

19 A. Correct.

10:19:20 20 Q. And it's organized by job code?

21 A. Job -- I don't know specifically how it's
22 sent, so let me just clarify there. But it should have
23 the job code, how many people are in the roles, and
24 then the salaries.

10:19:34 25 Q. Okay. And when you get this information back

1 from Radford, is it organized by job code?

2 MR. KIERNAN: Object to form.

3 THE WITNESS: I don't know. I'm not privy to
4 that.

10:19:43 5 MR. SAVERI: Okay.

6 MR. KIERNAN: And witness requests a read and
7 sign and designates -- Adobe designates the transcript
8 "attorneys' eyes only."

9 MR. SAVERI: We're not done.

10:20:06 10 MR. KIERNAN: I understand.

11 MR. SAVERI: Okay.

12 MR. KIERNAN: But I just wanted to make
13 sure --

14 MR. SAVERI: Okay.

10:20:12 15 MR. KIERNAN: -- while you've paused.

16 MR. SAVERI: Okay. All right. Thank you.

17 MR. KIERNAN: Or maybe we are done.

18 MR. SAVERI: Oh, no, no, no.

19 BY MR. SAVERI:

10:20:24 20 Q. So I think we -- you touched on this a few
21 minutes ago, but let me go back through it maybe more
22 systematically.

23 What are the key components of compensation
24 administered through Total Rewards?

10:20:37 25 A. Yeah, so like I said earlier, that would be

1 conversation, writes the performance review, evaluates
2 their people based off of performance, has a
3 conversation, and also makes their compensation and any
4 equity recommendations or bonus recommendations.

10:26:58 5 That's what focal is.

6 Q. And how -- what's -- and then how does that
7 process -- how do the people who are responsible --
8 strike that.

9 Are you responsible for -- for administering
10:27:10 10 the focal process?

11 A. Just the compensation and equity piece of the
12 focal process.

13 Q. Okay. And are you responsible within your
14 organization generally for establishing the schedule
10:27:22 15 for the focal review?

16 A. In partnership with, you know, learning and
17 development, because they own the performance
18 management piece.

19 Q. Okay. So for example, when -- when managers
10:27:35 20 do performance reviews of the people that report to
21 them --

22 A. Correct.

23 Q. -- do they provide that information to you or
24 your Total Rewards organization in some way?

10:27:43 25 A. They don't provide the actual documentation to

1 Total Rewards. They provide that -- they write it up.
2 They provide it to their employee. Then they submit
3 it. Then it goes to data management, and it's filed in
4 their file.

10:27:57 5 Q. Okay.

6 A. If they use performance rankings, then that is
7 actually fed to Total Rewards just to put into our
8 system.

9 Q. Okay. And we'll probably touch on this in a
10:28:10 10 little bit more detail, but we talked a little bit
11 about salary ranges.

12 A. Correct.

13 Q. Okay. And is it -- is it fair to say that for
14 each job code, there is a salary range established?

10:28:28 15 A. Yes.

16 Q. Okay. And so from year to year an employee,
17 without a change in title, may have their base
18 compensation changed by some kind of move within the
19 established salary range?

10:28:42 20 MR. KIERNAN: Object to form.

21 THE WITNESS: So that's -- so there would be
22 movement based off of performance of the company's
23 ability to pay during a merit process, promo, something
24 like that.

10:28:58 25 BY MR. SAVERI:

1 Q. Okay. Who -- kind of organizationally, if
2 someone, based on their performance and the economic
3 kind of conditions of -- of the world that are -- so
4 that a salary increase is permitted at some budget
10:29:12 5 level, who makes -- organizationally who makes the
6 determination of a change of base compensation within a
7 salary range at Adobe?

8 A. Managers.

9 Q. Okay. And what is your responsibility in
10:29:23 10 Total Rewards for that?

11 A. We just provide the guidelines, determine how
12 much money the company can afford, provide guidelines
13 to the managers, train the managers on performance
14 management, and then the managers make the decisions.

10:29:36 15 Q. Okay. And when they make the decisions, they
16 tell you or Total -- someone within your organization?

17 A. Well, they would put it in a system or a tool.

18 Q. Okay. Does your organization also look at
19 these issues kind -- broadly and make -- you know,
10:30:00 20 report out metrics on compensation decisions?

21 MR. KIERNAN: Object to form.

22 BY MR. SAVERI:

23 Q. I mean, for example, do you calculate whether
24 particular managers are generally raising -- strike
10:30:15 25 that.

1 Do you -- do you track the per -- in Total
2 Rewards the performance ratings of particular managers?

3 A. I don't know -- I don't know what you mean by
4 "tracking."

10:30:26 5 Q. Well, for example, are there -- are there
6 managers who make performance ratings of the people
7 that report to them?

8 A. Yes.

9 Q. And so in connection with that, they -- they
10:30:40 10 divide or put their reports into certain groups based
11 on performance?

12 A. They --

13 Q. They -- there are -- there are people who are
14 underperforming and there are top performers?

10:30:50 15 A. Correct.

16 Q. And do you at Total Rewards track or provide
17 kind of statistical analysis of, for example, how --
18 how many people are being put into each category by a
19 manager in a particular year?

10:31:05 20 A. [REDACTED]
21 [REDACTED] We can run a report to show how the bell
22 curve came out.

23 Q. Okay.

24 A. But we don't do anything with it.

10:31:17 25 Q. Okay. Okay. Just -- let me just make sure

1 I've covered this.

2 Is everybody at Adobe in the Total Rewards
3 system?

4 A. Everybody at Adobe in the Total Rewards
10:31:45 5 system. Yes.

6 Q. And I think you said --

7 A. Well, let me -- so let me clarify. Sorry.
8 Regular Adobe employees, yes.

9 Q. Yeah. Okay. Fair enough.

10:31:53 10 And you said a minute ago that the Section 16
11 officers, or at least with respect to their
12 compensation, are treated a little bit differently than
13 everybody else?

14 A. I didn't say they'd be treated differently.
10:32:03 15 They're just handled --

16 Q. Okay. They're separate --

17 A. They go -- they go to the board for approval.

18 Q. And that's really what I was getting at.

19 There's a separate process for approving the Section 16
10:32:12 20 officer compensations?

21 A. Yes.

22 Q. And does that include the compensation
23 committee of the board?

24 A. Yes.

10:32:16 25 Q. Okay. Do -- do you at Total Rewards support

1 function with respect to Total Rewards, did you try to
2 identify peers?

3 A. We do have peers.

4 Q. Okay. And is that -- are the peers identified
10:48:50 5 in the Radford data, or do you identify peers
6 separately?

7 A. So our ECC, so our executive comp committee,
8 determines our peers for our company for our
9 executives. We also go ahead and use those same
10:49:03 10 peers. We have direct peers as well as reference peers
11 that we will use for broad-based employees. If we
12 don't have enough data, then we'll use software, or
13 we'll even go use tech data.

14 Q. Okay. So how is the peer information
10:49:18 15 incorporated in the Radford data with respect to your
16 budgeting function?

17 MR. KIERNAN: Object to form.

18 THE WITNESS: Yeah, I'm not quite sure I'm
19 clear enough on that one. Sorry.

10:49:29 20 BY MR. SAVERI:

21 Q. Okay. Well, did you look at information from
22 peers, as you've described, in making your budget
23 recommendations regarding compensation?

24 A. [REDACTED]

[REDACTED]

1

2 Q. Okay. So -- but I'm trying to understand
3 this.

4

10:49:50 5 I think you said the company, your company,
6 Adobe, made some determination of peer -- I think you
7 divided into two groups.

8

9 A. Direct peers.

10

11 Q. Direct peers and reference peers.

12

13 A. Yes.

10:49:59 14 Q. Okay. And -- and your company made that
15 determination; correct?

16

17 A. The E -- yes, the -- the ECC made that
18 determination.

19

20 Q. Okay. [REDACTED]

21

22

23

24

25 A. Let me make sure I'm clear.

26

10:50:26 27 So the ECC determines who the direct peers are
28 based off of information that they get from Compensia,
29 which is their consultants. [REDACTED]

30

31

32

1 Q. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED]

7 Q. Okay. Now, you also said affordability to the
8 company?

9 A. Correct.

10:51:01 10 Q. Okay. So what do you mean by that?

11 A. Well, the economy continues to change, so I
12 don't control what the finances of the company are. So
13 we always want to make sure that we can afford.

14 Q. Okay. So in determining the affordability on
10:51:17 15 a particular year, what information did you rely on in
16 order to make that determination?

17 A. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

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Q. Okay. So let me make sure I trace this through.

So you -- your team or organization would do what it does with the -- with respect to the Radford data.

A. Correct.

Q. You'd make a determination of what you would want to do for -- separate -- without looking at affordability, and then you would ask finance, in sum or substance, can we afford this?

MR. KIERNAN: Hang on.

Object to form.

BY MR. SAVERI:

Q. Is -- is that right?

MR. KIERNAN: Object to form.

THE WITNESS: So I want to be clear here.

So we will come up with the market data.

MR. SAVERI: Got it.

THE WITNESS:

MR. SAVERI: Got it.

1 THE WITNESS: I'll go back and ask what the
2 market data says.

3 BY MR. SAVERI:

4 Q. Okay. But ultimately did finance have to make
10:52:41 5 some kind of approval -- okay.

6 What was the role of finance in approving your
7 recommendation?

8 MR. KIERNAN: Object to form.

9 THE WITNESS: I can't speculate, but I assume
10:52:56 10 they -- they had to make sure they have the money to
11 pay for it.

12 BY MR. SAVERI:

13 Q. So what -- I mean, but what was the answer you
14 would get back? Was it kind of a yes-or-no answer
10:53:02 15 or --

16 A. Yes. Or if they didn't have it, they would
17 tell us what they could afford.

18 Q. Okay. So from time to time, did they say we
19 can afford something but not as much as you would --
10:53:15 20 you recommend?

21 A. To be clear on timing --

22 Q. Yes.

23 A. -- we're talking during that --

24 Q. Right.

10:53:24 25 A. So during the time period 2008, I wasn't a

1 In making your recommendations, did you have
2 any marketplace goals that you used for making
3 compensation recommendations?

4 MR. KIERNAN: Object to form.

11:18:36 5 THE WITNESS: Yeah, I'm not quite sure I
6 understand what you mean by "goals."

7 BY MR. SAVERI:

8 Q. Well, at Adobe, when you looked at data on the
9 marketplace and you thought about what you wanted to do
11:18:51 10 with respect to compensation for the next cycle, did
11 you have as a goal setting compensation at some measure
12 of the market? For example, the 50th percentile, the
13 60th, the 75th, some kind of -- some kind of -- of
14 quantitative goal?

11:19:16 15 A. I wouldn't call it a goal, but we do have
16 market positioning that we -- yeah, that we target.

17 Q. Okay. And so I -- and I didn't know whether
18 the -- the word was "positioning" or "goal" or "target"
19 but I wanted to get at the -- at the concept.

11:19:29 20 So what was the -- what was the target?

21 A. During what time period?

22 Q. Okay. So does it make sense to talk about it
23 in the focal period?

24 A. Yeah, talking more about what years you're
11:19:43 25 talking about.

1 Q. Okay. So let me do it this way: Did the kind
2 of marketplace base targets change over time from year
3 to year?

4 A. I can't speak to anything prior to.

11:19:57 5 Q. Okay. During the time that you had
6 responsibility, did those marketplace targets change
7 from year to year?

8 A. I'm trying to think here.

9 So I think what we -- I can't remember exactly
11:20:22 10 when we did this, so this is -- you know, I'm trying to
11 be clear here, [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

1 [REDACTED], and we market -- we
2 targeted -- the 65th was about the equivalent.

3 Q. And when you -- okay.

4 Did your organization do the calculation about
11:21:11 5 what the 65th would mean or what it was?

6 A. You get that data from Radford.

7 Q. Okay. So when you got the Radford data back,
8 would the -- would they provide the data back to you
9 with the -- I guess in the -- during the period of time
11:21:28 10 where you were looking at the 65th, did they calculate
11 the 65th based on that data? Did Radford?

12 A. Well, Radford gives you the data back, and
13 they give you the -- they give you the 50th, they give
14 you the different positioning as well as median.

11:21:45 15 Q. Okay. So I think you said before the break
16 that you at your company made a determination about
17 peers?

18 A. Correct.

19 Q. And you provided that information to Radford,
11:22:00 20 and -- and Radford used that information when they were
21 reporting back to you?

22 A. Correct. They give us data for our peer set.

23 Q. Okay. Did -- similarly, did you tell Radford
24 we -- we want -- when we get the data back, we -- we
11:22:13 25 want to know what the 65th percentile is?

1 A. I have no idea how my -- my team tells them
2 that.

3 Q. Okay. So during the period of time -- do you
4 recall generally when Adobe shifted its strategy from
11:22:28 5 [REDACTED] to trying to target the 65th
6 percentile?

7 A. Yeah, like I said earlier, I don't remember
8 the exact date.

9 Q. Okay. And during the period of time when the
11:22:40 10 65th percentile was the target, was the 65th percentile
11 the target for the Adobe workforce in its entirety or
12 some subset of it?

13 MR. KIERNAN: Object to form.

14 THE WITNESS: So it's not the entirety.

11:22:57 15 There's different job targets. Some are 75th, some are
16 90th. Depends on U.S., depends on global. Nothing's
17 standard.

18 BY MR. SAVERI:

19 Q. Okay. So is it fair to say that for some jobs
11:23:12 20 it was 65th, some it was 90th, some it was 75th,
21 depending on importance to the company on geo -- and --
22 and other factors like geography?

23 A. Yes.

24 Q. Okay. Who set those targets?

11:23:29 25 A. Who sets what targets?

1 A. So we didn't do any -- I think -- we didn't do
2 any analysis to say -- we don't have that data.

3 Q. Okay.

4 A. So the managers are the ones that know the
11:26:33 5 performance.

6 So even if we looked at analysis, I would have
7 no idea whether the -- what the performance is of every
8 single of employee. Managers own that.

9 Q. Did you -- did your organization manage the
11:26:48 10 managers at all with respect to their compensation
11 decisions?

12 A. We give guidance and we give guidelines, but
13 managers ultimately own the budgets. They own those
14 decisions. They own their people.

11:26:59 15 Q. Okay. Did -- did your organization provide
16 any kind of statistical work or -- or perform any kind
17 of -- determine metrics, for example, that -- that
18 tried to quantify which managers were more -- more
19 likely than others to give raises?

11:27:26 20 A. Not that I recall. Because like I said,
21 our -- our team, my organization would have no idea,
22 even with that data, what that would mean.

23 Q. Okay. Are you familiar with the term
24 "internal equity"?

11:27:45 25 A. Yes.

1 Q. Okay. What do you understand the term
2 "internal equity" to mean with respect to compensation?

3 A. Internal equity means that you allow -- it's a
4 data point that we make sure managers understand,
11:28:00 5 because they need to understand that based off of
6 performance, where do people sit in their ranges.

7 So if you hire somebody, right, that's going
8 to -- let's say asking for \$10,000 more. You look at
9 your internal equity of your own organization, and if
11:28:18 10 you have some high-performing people that are making
11 less than a 10,000, are they comfortable hiring
12 somebody that they don't know what their performance is
13 higher than somebody that does.

14 So it's a data point for managers to look at
11:28:31 15 all the facts.

16 Q. Were there metrics or analysis that you did to
17 either measure or confirm or guarantee that the
18 principle of internal equity that you just described
19 was something that was being implemented and followed
11:28:47 20 by managers at Adobe?

21 A. I would have no idea how we would ever do
22 that.

23 Q. Okay. When was Omniture acquired?

24 A. Now you're testing my memory.

11:29:04 25 Q. Maybe do it this way: Were you -- did you

1 have Total Rewards responsibility when Omniture was --
2 was acquired?

3 A. Yes.

4 Q. Okay. Let's just leave it at that.

11:29:12 5 A. Thank you.

6 Q. Okay. So do you recall what the workforce was
7 at Omniture prior to acquisition?

8 A. What do you mean by "workforce"?

9 Q. Well, how many people worked at Omniture
11:29:24 10 before it was -- let's back up.

11 Was Omniture acquired by Adobe during the
12 period of time that you were responsible for Total
13 Rewards?

14 A. Yes.

11:29:33 15 Q. Okay. At the time that Omniture was acquired
16 by Adobe, how many people worked at Omniture?

17 A. I don't know specifically.

18 Q. Or order of magnitude?

19 A. Maybe 1,500, 2,000.

11:29:46 20 Q. And at that time, what was the workforce at
21 Adobe?

22 A. Maybe seven, eight thousand, somewhere in
23 there.

24 Q. Okay. So after the acquisition of Omniture,
11:30:02 25 were the -- or were -- strike that.

1 After Omniture was acquired by Adobe, did
2 the -- did Omniture people go to work for Adobe?

3 A. Yes.

4 Q. And were they incorporated within the Total
11:30:19 5 Rewards -- within Total Rewards?

6 A. Yes.

7 Q. Okay. And so can you describe for me
8 generally what the process was by which the Omniture
9 employees were incorporated into Total Rewards after
11:30:44 10 the acquisition by Adobe?

11 A. So my team worked with the business partners
12 within HR and managers to determine what the roles of
13 each employee were, and then they'd go ahead and look
14 at their job description compared to what our job
11:31:05 15 descriptions were, and leveled them and put them into
16 our structure.

17 Q. And when you say "leveled them," what do you
18 mean?

19 A. [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

1 A. [REDACTED]

2 Q. Okay. So for example, in -- prior to the
3 acquisition, Omniture had its own structure?

4 A. Or lack of, yes.

11:31:28 5 Q. Or lack of.

6 And may -- so maybe you were writing on a
7 relatively clean sheet of paper.

8 A. Yes.

9 Q. Or maybe it was a very confusing sheet of
11:31:37 10 paper.

11 But it's fair to say that you needed to get
12 those people into Total Rewards; right?

13 A. Into our salary structure, yes.

14 Q. Okay. And so, for example, there were people
11:31:46 15 that became 6s under the Adobe system?

16 A. Yes, all different levels.

17 Q. And so -- how long did that process take?

18 A. I don't recall.

19 Q. Were you responsible for it?

11:32:28 20 A. I did not do the actual day-to-day pieces of
21 it, no.

22 Q. Was there someone else at -- in your
23 organization that was responsible for -- I think you
24 said the leveling?

11:32:36 25 A. Yes.

1 Q. And who was that?

2 A. Rosemary. And the business partners.

3 Q. During the time you were responsible for Total

4 Rewards, were there other companies that Adobe

11:32:51 5 acquired?

6 A. During my tenure in Total Rewards?

7 Q. Yes.

8 A. Yes.

9 Q. And was a similar process followed with

11:32:58 10 respect to leveling of those employees?

11 A. Yes.

12 Q. Okay.

13 (DEPOSITION EXHIBIT 2798 MARKED.)

14 BY MR. SAVERI:

11:33:26 15 Q. I'm going to start to show you some

16 documents --

17 A. Okay.

18 Q. -- I have some questions about.

19 The first is Exhibit 2798, and the first page

11:33:49 20 has the Bates number ADOBE_072450.

21 Do you have that in front of you?

22 A. 072450. Yes.

23 Q. Yeah. And the document is entitled "Adobe HR

24 QBR Q1 08."

11:34:07 25 Do you see that?

12:02:48 5 Q. Okay. And so I guess that's kind of what I
6 was getting at. Were there particular -- were there
7 particular quantified ranges that you tried to maintain
8 as part of your compensation structure?

12:03:03 10 THE WITNESS: So we -- we determine ranges,
11 but ranges are guidelines.

13 THE WITNESS:

12:03:21 20 Q. Okay. Was -- the 60 percent that's quoted
21 here, is that kind of, over time, a general guideline
22 that you tried to maintain for the levels up to senior
23 director?

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1 standard to give -- most companies have some type of
2 range spread, and we just determined that 60 percent,
3 which is most -- it's actually a little wider than most
4 companies, but not completely.

12:03:45 5 Q. Is the 60 percent something that kind of
6 stayed constant over time during the period of time
7 that you were responsible for Total Rewards?

8 A. Yeah, I don't recall us changing it.

9 Q. Okay. Look at the -- the slide that's the --
12:03:59 10 on the back. And it's entitled "Adobe Peers."

11 Do you see that?

12 A. Yes.

13 Q. And there are two groups of -- it looks like
14 companies, "Direct" and "Reference"; right?

12:04:10 15 A. Yes.

16 Q. And the ones under "Direct" are the direct
17 peers; is that right?

18 A. Yep.

19 Q. And the companies on the right are -- are the
12:04:19 20 reference peers?

21 A. Yes.

22 Q. So for example, the direct peers include eBay
23 and Intuit?

24 A. In '09, yes.

12:04:33 25 Q. Okay. [REDACTED]

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Q. Okay. Now, it says, down kind of at the bottom next to the asterisk, "New additions approved by the board in June '09."

Do you see that?

A. Yes.

Q. What does that mean?

A. Like I said earlier, the ECC, you know --

Q. The executive compensation committee?

A. -- compensation committee approves our direct and reference peers every year.

So they get the information components from Compensia, they analyze, they give a recommendation. The board then decides who it is, and we would update it if it has any changes.

Q. Did your organization make a -- a recommendation about companies that go in and out of that reference peer list?

A. Compensia does that.

Q. Okay. And at the ECC level, is the decision about whether a company's a direct peer, basically, you know, in and out? They're either on the list or they're not?

A. I don't understand what you mean by that.

1 I mean, yes, either they're on the list or
2 they're not on the list.

3 Q. Okay. All right.

4 (DEPOSITION EXHIBIT 2801 MARKED.)

12:06:05 5 BY MR. SAVERI:

6 Q. Let me hand you Exhibit 2801.

7 It has -- the first page -- well, I think all
8 the pages have the same number, ADOBE_68232, because it
9 was produced natively.

12:06:21 10 Would you take a moment to look at it, please?

11 A. Okay.

12 Q. Have you had a moment to look at it?

13 A. Roughly, yeah.

14 Q. Have -- do you recognize this document?

12:07:23 15 A. I do.

16 Q. Did you prepare it?

17 A. I prepared pieces of it.

18 Q. Okay. And what -- could you tell me what this
19 document is?

12:07:34 20 A. We used this as an overview training guide
21 when we changed our Total Rewards philosophy.

22 Q. Okay. And when you say you changed the Total
23 Rewards philosophy, what do you mean?

24 A. Well, I guess I shouldn't say changed it.

12:07:52 25 Correction. I didn't mean change it. I mean we just

1 A. Yes.

2 Q. To the best of your recollection, did you
3 believe that was the philosophy of Total Rewards at the
4 time?

12:09:30 5 A. Yes. It's always been the philosophy. We've
6 always had a pay-for-performance and differentiation
7 philosophy.

8 All we did is in the past it was a much longer
9 version of saying it, so we just tried to simplify it
12:09:47 10 to actually hit home that, you know, it's a
11 differentiation and performance philosophy.

12 Q. Okay. And then when you prepared this deck,
13 you wanted -- part of the purpose was to educate other
14 people at Adobe about that?

12:10:00 15 A. Well, not necessarily educate on the
16 pay-for-performance, but educate on our programs in
17 general.

18 Q. Okay.

19 A. When you have a lot of programs that you
12:10:06 20 offer, people sometimes forget what you offer.

21 Q. Okay. And then in the next slide, you talk
22 about market competitive rewards. And you list a
23 number of companies.

24 What did you mean -- well, what's this slide
12:10:20 25 supposed to show? What did -- did you create this

1 slide?

2 A. I did.

3 Q. And what did you mean -- what did you -- what
4 did you intend this slide to show?

12:10:27 5 A. This just shows you who our direct peers and
6 our reference peers are so people know from the
7 landscape who we are thinking our competitors are.

8 Q. Okay. Now, on the next page, it -- there's a
9 slide that says "Total Rewards-Future State."

12:10:46 10 Do you see that?

11 A. Yeah.

12 Q. And did you write this slide, too?

13 A. Yes.

14 Q. Okay. So let me ask you some questions about
12:10:52 15 this.

16 You have a heading, "Competitive Position."

17 Do you see that?

18 A. Yes.

19 Q. And then underneath it, it says, "Overall

12:11:03 20 programs target 60 to 65th percentile."

21 A. Correct.

22 Q. Do you see that?

23 What did -- what did you mean by that?

24 A. Well, just like we talked about earlier, when

12:11:11 25 it comes to the market data, there's various different

1 components. You have benefits, you have all the
2 different components of it. So we look at where do we
3 target ourselves compared to the market for all of
4 those elements within rewards.

12:11:26 5 So part of that would be compensation. And
6 so, like I said when I clarified when I came back, we
7 would target our midpoints of our salary ranges between
8 the 60th and the 65th percentile. For compensation
9 it's actually the 65th.

12:11:39 10 Q. Okay. And so when you made that -- when you
11 set that target, did you do so based on information you
12 got back from Radford?

13 A. Yes. So we look at our Radford data, and we
14 base our --

12:12:05 15 Q. Okay. And that include statistics on job
16 categories?

17 A. On our job -- our job codes, yes.

18 Q. And salary ranges for those jobs?

19 A. So it would be the market data. We create
12:12:19 20 salary ranges based off the market data.

21 Q. Okay. Now, it says also, "[REDACTED]

[REDACTED]

[REDACTED]

24 A. Correct.

12:12:29 25 Q. Was that -- is that an accurate description of

1 the target for high performers?

2 A. It's a target.

3 Q. Right.

4 A. So it doesn't mean everybody. It's just a
12:12:42 5 target. And when we say "total direct compensation,"
6 that's all the elements of compensation, not just base
7 pay.

8 Q. Okay. So that includes the incentive?

9 A. As well as equity.

12:12:54 10 Q. Does it include the benefits, too?

11 A. Yes.

12 Q. Okay. How -- excuse me.

13 What categories or what jobs were in the
14 high-performer category as opposed to the overall?

12:13:10 15 MR. KIERNAN: Object to form.

16 THE WITNESS: Yeah, it's not job -- it's not
17 jobs that are in those categories. It's people.

18 MR. SAVERI: Okay.

19 THE WITNESS: Right? Because it says "High
12:13:18 20 performers."

21 BY MR. SAVERI:

22 Q. So how did you distinguish high performers
23 from others? What's the -- what's the -- what's the
24 criteria?

12:13:24 25 A. The managers determine who's the high

1 MR. SAVERI: Okay.

2 THE WITNESS: [REDACTED]

3 [REDACTED]

4 [REDACTED] [REDACTED]

5 [REDACTED] [REDACTED]

6 [REDACTED].

7 MR. SAVERI: Right.

8 THE WITNESS: And as part of this Total

9 Rewards survey as well as the economy and the fact that

10 12:19:12 profit sharing was not performance-based program, we

11 eliminated it.

12 BY MR. SAVERI:

13 Q. Okay. In the next bullet it talks about

14 discretionary bonuses, and it says, "Bonuses to be paid

15 12:19:23 based on company performance and individual

16 performance."

17 Okay?

18 A. Mm-hmm.

19 Q. And I -- [REDACTED]

20 [REDACTED] [REDACTED]

21 [REDACTED] [REDACTED]

22 [REDACTED]

23 [REDACTED]

24 [REDACTED]

25 [REDACTED] [REDACTED]

1 [REDACTED]

2 [REDACTED]

3 [REDACTED] [REDACTED]

4 Q. Got it.

12:20:04 5 A. [REDACTED]

6 [REDACTED]

7 [REDACTED] [REDACTED]

8 [REDACTED]

9 [REDACTED] [REDACTED]

10 [REDACTED] [REDACTED]

11 [REDACTED]

12 Q. Okay. And what was --

13 A. [REDACTED]

14 Q. Okay. What -- and what was your role as -- as

12:20:29 15 the person in charge of Total Rewards with respect to

16 discretionary bonuses?

17 A. So I'm not quite sure what you really mean by

18 what was my role.

19 Q. Well, okay. Earlier we talked about your --

12:20:47 20 your recommendations at the beginning of the -- of the

21 focal process and then the annual review process.

22 A. Yes.

23 Q. Did part of that include recommendations

24 regarding discretionary bonuses?

12:21:01 25 A. I didn't -- I wouldn't go to the company -- or

1 go to finance and say we need to do a discretionary
2 bonus. They would come to me and say we have money;
3 let's do a -- let's do a bonus.

4 And then we would go ahead and give -- you
12:21:13 5 know, split out the pool by managers and then ask them
6 to go ahead and do it based on performance.

7 Q. A few minutes ago I think you were a little
8 bit unclear about whether it was annual or quarterly.

9 A. For?

12:21:27 10 Q. Discretionary bonuses.

11 A. Well, because it's been both.

12 Q. Okay.

13 A. It depends on how -- when we have money.

14

16 Q. In 2009 it didn't pay out at all?

17

19 Q. Okay. Now, the next item is "Incentive Plans,
12:21:50 20 QIP & AIP."

21 A. Correct.

22 Q. What's QIP?

23 A. Quarterly incentive plan.

24 Q. Okay. And "AIP" is annual?

12:21:59 25 A. Yes.

1 MR. KIERNAN: Excuse me.

2 THE WITNESS: Bless you.

3 MR. SAVERI: Okay. You could put that aside.

4 (DEPOSITION EXHIBIT 2802 MARKED.)

12:22:34 5 BY MR. SAVERI:

6 Q. I've handed you what's been marked as Exhibit
7 2802.

8 Do you have that in front of you?

9 A. Yes.

12:22:43 10 Q. And the first page has the number

11 ADOBE_059130.

12 A. Yes.

13 Q. Okay.

14 A. Yes.

12:23:14 15 Q. I -- I apologize.

16 A. It's all right.

17 Q. Someone was afraid I had Tourette's and I
18 would start screaming at the witness. I'm usually just
19 screaming at Mr. Kiernan.

12:23:31 20 MR. KIERNAN: That's right.

21 MR. SAVERI: When he complains to the judge, I
22 say it's because I have Tourette's.

23 BY MR. SAVERI:

24 Q. So please take a moment to -- to review it.

12:24:03 25 A. Okay.

1 the market?

2 MR. KIERNAN: Object to form.

3 THE WITNESS: Yeah. I don't know, because
4 I've never seen this document.

01:11:41 5 BY MR. SAVERI:

6 Q. Okay. Well, just based on your experience
7 with Total Rewards, is -- did you or people in your
8 organization use compa-ratios to measure and monitor
9 internal competitiveness or competitiveness to the

01:11:55 10 market?

11 A. We use compa-ratio just to see where people
12 are sitting in salary ranges but nothing other than
13 that.

14 Q. Okay. There's a section in here called
01:12:05 15 "Salary Range Spread."

16 Do you see that?

17 A. Yes.

18 Q. And the second bullet is, "Sales Salary
19 Ranges."

01:12:10 20 Do you see that?

21 A. Yes.

22 Q. And then it says, "[REDACTED]

23 [REDACTED]

24 Do you see that?

01:12:18 25 A. Yes.

1 Q. Okay. Couple questions.

2 What's TTC?

3 A. Total target comp.

4 Q. And what -- how is that term used at Adobe?

01:12:30 5 A. So TTC is what you set -- or salary -- you
6 know, sales guys get commission. You don't know how
7 much they're going to get commission based off of what
8 they sell. So what you do is you set a target, and if
9 they sell more, they might make more. If they sell
01:12:44 10 less, they might get less.

11 Q. Was TTC used for nonsales positions?

12 A. We refer to TTC for nonsales, yeah.

13 Q. Okay.

14 A. Because it's really just -- we call it "total
01:12:56 15 target cash" for nonsales. Right. So we wouldn't have
16 equity. So total direct comp includes equity.

17 Q. Okay. Then it says, "Global Code."

18 Do you see that?

19 A. Yes.

01:13:16 20 Q. And it says, "[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

1 Q. Okay. You can put that aside.

2 (DEPOSITION EXHIBIT 2804 MARKED.)

3 BY MR. SAVERI:

4 Q. Let me hand you Exhibit 2804.

01:13:54 5 Can you take a moment to look at that,
6 please?

7 A. Okay.

8 Q. Do you recognize this document?

9 A. Yeah. Yes.

01:14:53 10 Q. Can you tell me what it is, please?

11 A. It's just an overview of the sales
12 compensation that we had.

13 Q. And did you create it?

14 A. It's got my name on it, but I didn't create
01:15:03 15 all the content. It came from different groups.

16 Q. Okay. But that is your name on the first
17 page --

18 A. Yes.

19 Q. -- of the document?

01:15:10 20 A. Yeah.

21 Q. Let me ask you some questions about it.

22 On the third page of the document, there is
23 a -- a slide that's entitled "Considerations."

24 Do you see that?

01:15:24 25 A. Yeah.

1 incorporate that just for sales.

2 Q. Okay. The next item or section is "Pay mix."

3 Do you see that?

4 A. Yes.

01:16:32 5 Q. And then it says, "Market competitive and
6 internal equity."

7 What did that mean? Or maybe -- let me ask a
8 better question.

9 What was your concern or your consideration
01:16:43 10 with respect to market competitive and internal equity
11 with respect to the pay mix?

12 A. So -- so I think what I talked about earlier,
13 right, is when we say -- we do an analysis, we always
14 are looking at an analysis to determine where we are
01:16:57 15 from a market -- you know, market competitive
16 perspective or market data.

17 So all this is doing is saying that we looked
18 at the market data based off of our pay mix, because
19 remember there's different components to sales.

01:17:08 20 So all this is saying is is that we looked at
21 that data as well as internal equity.

22 Q. So the market competitive information is
23 information regarding compensation outside the company?

24 A. Yeah, that's the market data that we get from
01:17:20 25 Radford, right.

1 Q. And the internal equity has to do with
2 internal pay or compensation --

3 A. Correct.

4 Q. -- concerns?

01:17:25 5 A. Well, not concerns. Just that's looking at
6 equity internally.

7 Q. Okay. You can put that aside.

8 (DEPOSITION EXHIBIT 2805 MARKED.)

9 BY MR. SAVERI:

01:17:42 10 Q. I've handed you what's been marked as Exhibit
11 2805.

12 Will you take a moment to review that, please?

13 A. Okay.

14 Q. So a couple questions about this document.

01:18:55 15 First let me direct your attention to the
16 first page, which is the e-mail --

17 A. Yes.

18 Q. -- to someone named Paul -- Paul Larsen.

19 A. Correct.

01:19:04 20 Q. Okay. First, did you write this e-mail to
21 Mr. Larsen on or about the date that's indicated here?

22 A. Yes.

23 Q. And at this time what was Mr. Larsen's job?

24 A. So Paul Larsen actually took over my business
01:19:16 25 partner job when I took over my --

1 Q. Okay.

2 A. When I got the Total Rewards job.

3 Q. So when you moved up, he took your place?

4 A. Well, we hired him to backfill me.

01:19:26 5 Q. Okay.

6 A. He wasn't an existing employee.

7 Q. And then in your e-mail, you refer to

8 attachment 1, which is a -- it says "presentation I

9 gave at Donna's staff to summarize the impact of the

01:19:40 10 changes."

11 And is the deck that's entitled "HR Leveling"
12 the presentation that you gave that's referred to here?

13 A. Yes.

14 Q. Okay. So let me ask you some questions about
01:19:50 15 the deck.

16 A. Okay.

17 Q. The deck is entitled "HR Leveling," and then
18 you see your name, Debbie Streeter, July 7th, 2008?

19 A. Yes.

01:19:59 20 Q. Did you give this presentation or did you use
21 this deck to do that presentation on or about that
22 date?

23 A. Yes.

24 Q. Okay. So it's entitled "HR Leveling."

01:20:08 25 You see that?

1 A. Yes.

2 Q. [REDACTED]

■ [REDACTED]

■ [REDACTED]

■ [REDACTED]

■ [REDACTED]

■ [REDACTED]

■ [REDACTED]

■ [REDACTED]

■ [REDACTED]

■ [REDACTED]

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■ [REDACTED]

■ [REDACTED]

■ [REDACTED]

■ [REDACTED]

■ [REDACTED]

■ [REDACTED]

■ [REDACTED]

24 Q. Okay. Had you been involved in other leveling
01:21:15 25 exercises before?

1 A. Not prior to this.

2 Q. Okay. Had -- did you participate in other
3 leveling exercises after?

4 A. Me personally, not that I recall. My team.

01:21:30 5 Q. Okay. And just in a general sense, did the
6 leveling exercises that your team conducted, did
7 they -- did they do the same kind of things that are
8 set forth here?

9 A. Well, they do --

01:21:40 10 MR. KIERNAN: Object to form.

11 THE WITNESS: Yeah.

12 They do an analysis to determine -- they look
13 at job descriptions, match the job description with
14 what the employee is actually doing --

01:21:50 15 MR. SAVERI: Right.

16 THE WITNESS: -- right, and then they
17 determine whether they're in the right job. That does
18 happen.

19 BY MR. SAVERI:

01:21:56 20 Q. And it also happens when there's an
21 acquisition?

22 A. Correct.

23 Q. Okay. Now -- okay. I think I understood
24 this.

01:22:02 25 At this time in 2008, you were -- you were

1 MR. KIERNAN: Last -- last sentence. Here.

2 Turn it over. Start here, "Additionally."

3 THE WITNESS: Oh, okay.

4 BY MR. SAVERI:

01:52:19 5 Q. Let me read it to you. Do you see where it
6 says "Additionally"?

7 A. Yes.

8 Q. Let me read it to you again. It says,
9 "Additionally, due to the required salary to attract,"
01:52:26 10 and then it flips over.

11 You with me?

12 A. Yes.

13 Q. -- "the narrow pool of candidates, the issue
14 of internal equity, new hires versus existing employees
01:52:33 15 within some of the specialized groups, including
16 internal audit and revenue recognition, has increased."

17 Do you see that?

18 A. Yes.

19 Q. Do you know what that refers to? Can you
01:52:44 20 explain that to me?

21 A. I didn't write the document, so I -- I
22 can't -- I can't speak to it.

23 Q. Well, let me ask you generally.

24 Were there situations from time to time where
01:53:10 25 Adobe had to -- was required to pay more to attract

1 candidates because they were relatively special or
2 unique or desirable?

3 A. I can't say that's never happened.

4 Q. Okay. Well -- and in -- in those situations,
01:53:35 5 did Adobe sometimes -- well, in those situations was --
6 were there -- was Adobe concerned about internal equity
7 issues?

8 A. Well, like I talked about earlier, we always
9 look at internal equity as a data point, because if you
01:53:55 10 are going to go hire somebody externally that's making
11 somebody -- who's making more than somebody who's an
12 existing employee that's a high performer, you need to
13 know that before you bring them in.

14 Q. Were there situations where -- following that
01:54:09 15 along -- where the --

16 A. Okay.

17 Q. -- where the person was brought in, that the
18 person at Adobe learned of the -- of the compensation
19 and -- and asked for a raise in order to be treated
01:54:23 20 fairly?

21 A. I can't speak to that.

22 Q. Okay. Did that ever happen at Adobe?

23 A. I have no idea.

24 Q. Okay.

01:55:02 25 (DEPOSITION EXHIBIT 2809 MARKED.)

1 BY MR. SAVERI:

2 Q. I've handed you what's been marked as Exhibit
3 2809, ADOBE_060278 to 279.

4 Will you take a moment to look at that,
01:55:27 5 please?

6 A. Yes.

7 Okay.

8 Q. Let me draw your attention to the top of the
9 first page, which is an e-mail from you to someone
01:56:29 10 named Mark Garrett dated April 26th, 2007.

11 Do you see that?

12 A. Yes.

13 Q. Did you write this e-mail to Mr. Garrett on or
14 about the date that's indicated here?

01:56:39 15 A. I guess so.

16 Q. Okay. At the end of the document, it's
17 signed, "Thanks, Debbie Streeter, Director, Human
18 Resources."

19 Do you see that?

01:56:45 20 A. Yes.

21 Q. That's you; right?

22 A. Yes.

23 Q. Okay. On that same last page, there's a
24 section entitled "Employee Attrition."

01:56:52 25 Do you see that?

1 (DEPOSITION EXHIBIT 2813 MARKED.)

2 BY MR. SAVERI:

3 Q. I've handed you what's been marked as Exhibit
4 2813. Has the Bates number ADOBE_056243 to 244.

02:47:44 5 Will you take a moment to look at that,
6 please?

7 A. Okay.

8 Q. Let me draw your attention to the e-mail that
9 appears you wrote dated February 23, 2010 to Jennifer
02:48:43 10 Pasqualini and others.

11 Do you see that?

12 A. Yes.

13 Q. Did you write that to Jennifer Pasqualini and
14 others on or about February 23rd, 2010 as indicated
02:48:52 15 here?

16 A. Yes.

17 Q. And you forwarded to them the e-mail that you
18 received from Daya Nadamuni?

19 A. I have to assume that that -- I don't know who
02:49:01 20 that is.

21 Q. Okay. Well, she wrote an e-mail to a number
22 of people, but there's also an alias or a distribution
23 list there. Do you see it, DL Ops Staff?

24 A. Yes.

02:49:12 25 Q. What's that?

1 A. That's Shantanu's direct reports.

2 Q. Okay. Now, is Daya Nadamuni a man or a woman?

3 A. I have no idea who it is.

4 Q. Okay. But you received this e-mail obviously?

02:49:37 5 A. It was forwarded to me.

6 Q. By whom?

7 A. Well, I'm not on this. I'm not on the
8 original e-mail.

9 Q. Well, maybe that's my question.

02:49:45 10 Do you recall who sent it -- forwarded it to
11 you?

12 A. No.

13 Q. But it -- it's clear you -- you got it,
14 because you sent it to Jennifer Pasqualini; right?

02:49:56 15 A. And that -- and that team, yes.

16 Q. It says, "In conjunction with global talent
17 acquisition, we have developed an analysis of current
18 hiring trends within Adobe's competitive landscape."

19 Do you see that?

02:50:21 20 A. Yes.

21 Q. And then this person identifies some market
22 conditions, and then it specifically discusses three
23 companies: Microsoft, Apple and Google.

24 Do you see that?

02:50:37 25 A. Yes.

1 Q. Okay. And Daya Nadamuni -- well, you agreed
2 that this was useful information; correct?

3 A. I don't even remember it.

4 Q. Okay. But you wrote, "Great overview from
02:50:55 5 talent"; right?

6 A. I did, but I don't remember it.

7 Q. Okay. Did you view the companies that are
8 identified here as competitors with Adobe for talent?

9 A. Yeah, they're -- they're our direct our
02:51:11 10 reference peers, yes.

11 Q. And do you know where the data or information
12 that's set forth here by Daya Nadamuni came from?

13 A. No.

14 Q. Do you know if it came from public statements
02:51:24 15 or from some other sources?

16 A. I have no idea.

17 Q. Why did you say, "please keep this info
18 confidential," then?

19 A. Because it's -- it's confidential
02:51:31 20 information. It's all about people's businesses.

21 Q. Well, if it's -- if it were public
22 information, it wouldn't be confidential, would it?

23 A. But I don't know where they got that at.

24 Q. Okay. So did you think some of this might not
02:51:41 25 be public information?

1 A. I have no idea. I was just being cautious.

2 Q. Now, at the bottom of the page, there's a
3 bullet that says, "As the economy recovers, Adobe may
4 face several challenges to retaining key talent."

02:52:01 5 Do you see that?

6 A. Yes.

7 Q. Then on the top of the next page, it says,
8 "Increased voluntarily attrition and poaching may
9 occur, especially from competitors like Cisco and

02:52:12 10 Google, which are known to be contacting Adobe
11 employees on a regular basis."

12 Do you see that?

13 A. Yes.

14 Q. Do you know what that refers to?

02:52:17 15 A. No, because I'm not close enough to that.
16 It's more of a talent.

17 Q. What did you understand "poaching" to mean?

18 A. I can't -- I can't speculate what they mean,
19 but "poaching" means that they might call people, see
02:52:43 20 if they want to come work for you.

21 Q. Did, as indicated here, Cisco and Google from
22 time to time poach Adobe employees?

23 A. I have no idea. I wasn't close enough to
24 that.

02:52:54 25 Q. Okay. So as you sit here today, you don't

1 to go which you turned down?

2 A. Yes.

3 Q. Okay. Did someone else from the company --

4 and when I say "the company," I mean Adobe. Did

03:30:10 5 someone else go in your place?

6 A. Somebody goes -- from my team goes to the

7 broader one --

8 Q. Right.

9 A. -- but nobody goes to the -- the smaller one.

03:30:16 10 Q. Okay. Who from your team went to -- went in

11 your place?

12 A. Jennifer Pasqualini.

13 Q. Okay.

14 (DEPOSITION EXHIBIT 2817 MARKED.)

03:30:32 15 BY MR. SAVERI:

16 Q. Okay. I've marked as Exhibit 2817 ADOBE -- a

17 document with the Bates number ADOBE_059196 to 197.

18 A. Yes.

19 Q. Do you recognize this?

03:31:02 20 A. Yes.

21 Q. Tell me what it is.

22 A. It's a recap of the meeting I had we just

23 talked about, the smaller meeting that Radford hosted

24 with just my peers.

03:31:12 25 Q. Okay. And did you see this in preparation for

1 your deposition today?

2 A. Yes.

3 Q. Okay. And -- okay.

4 The e-mail is dated November 11th, 2010. Do

03:31:30 5 you see that it's from you to Donna Morris, Jennifer

6 Pasqualini?

7 A. Yes.

8 Q. Okay. I actually thought "Radford Sessions"

9 was someone's name for a while.

03:31:40 10 A. Oh.

11 Q. The -- the -- did you write this on or about

12 the date that's indicated here?

13 A. Yes.

14 Q. Okay. And was Donna Morris your boss at this

03:31:53 15 time?

16 A. Yes.

17 Q. And when you wrote this, did you intend to

18 report accurately to your boss what you learned at the

19 meeting?

03:32:00 20 A. That was the intent.

21 Q. And to the best of your recollection, you did

22 so?

23 A. Yes.

24 Q. Okay. Okay. There's a reference here to

03:32:18 25 Google.

1 Do you see that?

2 A. Yes.

3 Q. Have you ever heard of something called the
4 Big Bang?

03:32:24 5 A. Yes.

6 Q. Was this a reference to the Big Bang?

7 A. Yes.

8 Q. Okay. And that, just so we're clear, was the
9 announcement by Google to make a 10 percent
03:32:38 10 across-the-board hike in their base compensation?

11 A. Yes.

12 Q. And -- and so I'm clear, did you -- had you
13 heard about the Big Bang before you went to this
14 meeting?

03:32:52 15 A. No, found it out at this meeting.

16 Q. Okay. Who told you?

17 A. I don't recall who told me specifically in the
18 meeting, but Google was not in attendance because of
19 this.

03:33:06 20 Q. Okay. So to the best of your recollection,
21 the Google person didn't attend this meeting?

22 A. Yes.

23 Q. And so someone else reported on what Google
24 had announced?

03:33:16 25 A. Yes.

1 Q. And I believe -- do you recall if Google had
2 announced it the prior day or --

3 A. I don't -- I don't recall.

03:33:25

4 Q. But this is the first time you've heard about
5 it?

6 A. This is the first time I heard about it.

7 Q. Okay. So fair to say that was a big deal in
8 comp -- in the world of compensation professionals?

03:33:36

9 A. I think all of us just said, "Great. We're
10 going to get a lot of e-mails from employees now."

11 Q. Okay. Because -- why did you put a smiley
12 face?

13 A. Because that's exactly what I thought was
14 going to happen.

03:33:46

15 Q. Okay.

16 A. We were going to get lots of e-mails from
17 employees.

18 Q. All right. You refer to a comp person who
19 just left Google.

03:33:58

20 Do you see that?

21 MR. KIERNAN: Where is that?

22 THE WITNESS: Where that's?

23 BY MR. SAVERI:

24 Q. It -- Donna; right?

03:34:02

25 A. Oh, okay. First -- first sentence, yes.

1 Q. "As I noted yesterday, Google was the big
2 topic of the day yesterday." Yesterday. "And today we
3 heard from the comp person who just left Google."
4 Okay.

03:34:12 5 Do you see --

6 A. Yes.

7 Q. -- see the -- who's that comp person?

8 A. I don't --

9 Q. Do you recall?

03:34:16 10 A. I don't recall.

11 Q. Okay. You write, "Overall, it was a good
12 session. Learned, of course, we all have the same
13 issues."

14 You see that?

03:34:23 15 A. Yes.

16 Q. What issues were you talking about?

17 A. We all have similar issues where, you know,
18 the market, you know, war for talent, systems issues,
19 lack of stock issues. We have -- we're all kind of
03:34:39 20 similar in all the same things.

21 Q. Okay. So you found a lot of common ground at
22 the meeting?

23 A. It was just validating that it was not just
24 us.

03:34:47 25 Q. Okay. You write, "War for talent for all

1 calculation of the 65th percentile equate to changes
2 in -- in the maximum and minimum for a particular job
3 title, which was the salary range?

4 A. So you got a salary range. The midpoint is
04:06:57 5 the 65th.

6 Q. Okay.

7 A. And then remember we talked earlier today
8 about the spread?

9 Q. Right.

04:07:01 10 A. So the spread would either be 64 or 60 percent
11 or 70 percent. So you take the midpoint and then you
12 do the spread.

13 Q. Who determined whether the -- who determined
14 the spread?

04:07:11 15 A. We talked about that earlier. My team
16 determines the spread.

17 Q. Okay. And how did you determine whether the
18 spread should be 60 percent or 64 percent or something
19 like that?

04:07:21 20 A. We -- we look at market data to see, and then
21 we just determine what we feel is the right thing.

22 Like I said, it -- it's just a guideline, so
23 it doesn't really matter.

24 Q. Right.

04:07:29 25 And so in terms of organizational kind of

1 approval, was there someone above you, like Donna
2 Morris or someone else, that had to approve changes in
3 the ranges for particular jobs as opposed to --

4 A. Yeah, we -- we change thousand of -- thousands
04:07:51 5 of job salary ranges every year. No, she does not look
6 at those.

7 Q. Okay. And that -- but that was your
8 department that was responsible for doing that?

9 A. Correct.

04:07:58 10 Q. Do you have any recollection or idea about the
11 extent to which exceptions for base salary outside
12 established salary ranges happened?

13 MR. KIERNAN: Object to form.

14 THE WITNESS: I have no idea. I don't --

04:08:42 15 BY MR. SAVERI:

16 Q. Was that tracked?

17 A. Could we report on it? Yes. Do I think we
18 tracked it for any purpose? No.

19 Q. Okay. Are you familiar with the term "salary
04:09:00 20 matrix"?

21 A. Yes.

22 Q. What's a salary metrics?

23 A. Matrix.

24 Q. Matrix.

04:09:05 25 A. [REDACTED]

1

[REDACTED]

■

■ [REDACTED]

■

■ [REDACTED]

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[REDACTED] [REDACTED]

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[REDACTED]

04:10:11 25

Q. And did your -- was your organization

1 responsible for preparing those matrices?

2 A. Yes.

3 Q. And how were -- were the matrices then
4 communicated to the managers of the particular business
04:10:24 5 units in some fashion?

6 A. Yes.

7 Q. And how was that done?

8 A. Through web sites.

9 Q. So was there a point in time where you sent
04:10:32 10 some notice out and said, "We've done the matrices; you
11 can go find them on the web site"?

12 A. You can, or we put them in trainings, because
13 we always have trainings before each one of the annual
14 review processes.

04:10:44 15 Q. So did that -- did those trainings take the
16 form of someone would prepare the deck or something
17 like that, and you'd sit down with the manager and go
18 through it?

19 A. Correct. It would be high level. What -- you
04:10:52 20 know, what did the market say, you know, what are our
21 salary matrices, what are the steps that you need to
22 do, what are the timelines, et cetera.

23 Q. Okay. And then in the next step in the
24 process, kind of what's the -- what was the
04:11:00 25 deliverable, kind of, back from the manager to you? I

1 Your e-mail -- did you write that e-mail to
2 Donna Morris in the -- in the evening on November 10th,
3 2010, on the date and time that's indicated here?

4 A. Yes.

04:36:25 5 Q. Okay. And just so I'm clear, that was after
6 the Radford session you were at?

7 A. Yes.

8 Q. Okay. Let's go to the beginning of the e-mail
9 chain.

04:36:36 10 Donna Morris writes to you and someone named
11 Joe Nemeth on November 10, 2 -- on -- on Nov -- at --
12 it looks like about nine o'clock in the morning on
13 November 10th.

14 Do you see that?

04:36:48 15 A. Yes.

16 Q. Okay. Who -- who was Joe Nemeth?

17 A. He -- he was in charge at FP&A, in finance.

18 Q. Okay.

19 A. Financial planning and analysis.

04:36:55 20 Q. All right. Okay. And she writes, "Hi, Joe.
21 We have seen this, unfortunately. Debbie is off site
22 with a group of peer companies."

23 So you were at Radford at the time when she --

24 A. Correct.

04:37:08 25 Q. -- wrote this? Okay.

1 A. Correct.

2 Q. Now, she writes, "Glad we built into the
3 annual budgets we did and expect that we will -- and
4 expect that with approx 5 percent here in the U.S., HI
04:37:29 5 employees will see between 6 to 8 percent."

6 Do you see that?

7 A. Yes.

8 Q. Can you explain to me what you understood her
9 to mean by that?

04:37:37 10 A. We had already set our -- our merit budget at
11 this time.

12 Q. So you understood her to be saying she was
13 glad that Adobe had already made a decision to raise
14 base compensation?

04:37:53 15 A. No, that's not what --

16 MR. KIERNAN: Object to form.

17 THE WITNESS: That's not what I'm saying.

18 BY MR. SAVERI:

19 Q. Okay. Well, then I don't understand.

04:37:58 20 When she says, "Glad we built into the annual
21 budgets we did and expect with approx 5 percent" --
22 let's work through this.

23 When she wrote, "expect that with approx 5
24 percent here in the U.S., HI employees will see between
04:38:11 25 6 and 8 percent," what did you understand her to mean

1 by that?

2 A. We had already sent our merit budgets, prior
3 to even us going to the Radford meeting.

4 Q. Right.

04:38:19 5 A. So we'd already locked our budgets in. We had
6 a pretty aggressive merit budget based off of market
7 data. And so we had already sent ours.

8 So what she's saying here is, is that, you
9 know, approximately 5 percent -- people will see here
04:38:31 10 in the U.S. approximately 5 percent pay increase,
11 depending on performance, clearly.

12 Q. Right.

13 A. And then high performers will probably see
14 more between a 6 and 8 percent. That was roughly our
04:38:41 15 guidelines. And once again, it was based off of
16 performance.

17 Q. Okay.

18 A. So she's just saying that if they're coming
19 out and saying 10 percent, our budgets for HI employees
04:38:49 20 was roughly 6 to -- to 8 percent.

21 Q. And you had already made the decision?

22 A. That was -- decision was already made before
23 that.

24 Q. Okay. And then the next thing she says, "We
04:39:00 25 put in a request to ensure we have an incremental

1 [REDACTED]. Debbie has
2 likely provided more."

3 Do you see that?

4 A. Yes.

04:39:09 5 Q. What did you understand her to mean by that?

6 A. [REDACTED]

7 [REDACTED]

8 [REDACTED]

9 Q. Right.

04:39:16 10 A. [REDACTED]

11 [REDACTED]

12 [REDACTED]

13 [REDACTED]

14 Q. Do you know if at this time Adobe and other
04:39:45 15 companies that were sued by the government had agreed
16 or decided to make a deal resolving those claims with
17 the government?

18 A. I had no idea.

19 Q. Okay. So do you know whether at this time the
04:40:03 20 companies that were sued by the government regarding
21 their agreements with respect to hiring had made an
22 agreement with the government to stop those agreements?

23 A. Not that I recall.

24 Q. Okay.

04:40:19 25 A. No.

1 Q. As of this time, in November of 2010, did you
2 know one way or the other -- I want to make sure I
3 understand this -- whether or not Adobe had been sued
4 by the government with respect to its hiring practices?

04:40:32 5 A. I hadn't -- not that I recall, no.

6 Q. Okay. Now, then you write an e-mail back
7 late -- later in the afternoon on the 10th; right?

8 A. Correct.

9 Q. And that was -- was that after you had
04:40:54 10 finished the -- your day session with Radford?

11 A. Correct.

12 Q. Okay. And was that the -- was this e-mail the
13 first time you had an opportunity to write back to your
14 company about your reactions to the news?

04:41:03 15 A. I -- I don't know. I don't know if that was
16 the first time, but --

17 Q. Okay. But you write, towards the bottom, "I
18 suspect we will see companies increase their merit
19 budgets due to the news but not go up this high due to
04:41:17 20 affordability."

21 Do you see that?

22 A. Where is that?

23 Q. Down towards the bottom of your e-mail,
24 there's a paragraph second from the end that begins,
04:41:23 25 "Time will continue to tell."

1 A. Mm-hmm.

2 Q. Then the next sentence says, "I suspect we
3 will see companies increase their merit budgets due to
4 this news but not go up this high due to
04:41:34 5 affordability."

6 Do you see that?

7 A. Yes.

8 Q. What did you mean by that?

9 A. Well, it also says, "Time will tell."

04:41:40 10 Q. Okay.

11 A. I was just putting in my opinion that
12 eventually you will see an impact from that increase
13 because the market data will actually go up. That's
14 what I was suspecting. But if they're only one company
04:41:53 15 in the pool, I don't know -- I mean, I was just making
16 a -- an opinion. Right?

17 Q. Well, at the Radford session --

18 A. Yes.

19 Q. -- the news of this announcement came up?

04:42:02 20 A. Yes.

21 Q. Did the companies discuss at all at that
22 meeting what they intended to do in response with
23 respect to their merit budgets?

24 A. No. If anything, they all laughed because
04:42:14 25 they thought it was ridiculous.

1 Q. Well, I'm asking -- okay. Well, I'm trying to
2 ask -- figure out, the best of your recollection,
3 whether --

4 A. Yes.

04:42:19 5 Q. -- that subject was discussed. Was it
6 discussed, what the reaction was going to be by the
7 companies?

8 A. What we said was, is we're going to get back
9 to our offices with a lot of questions from our
04:42:29 10 employees. And we all laughed, saying there is no way
11 we would ever be able to afford to do something like
12 that, and we thought it was ridiculous what they were
13 doing.

14 That's --

04:42:35 15 Q. Okay.

16 A. -- what we talked about.

17 Q. Did any of the companies say they intended to
18 try to -- to the extent they could, to the --

19 A. Yeah.

04:42:39 20 Q. -- extent they could afford it, raise their
21 merit budgets?

22 A. None of them said that at that meeting.

23 MR. SAVERI: Okay. We're about to run out of
24 tape, so let's take a break.

04:42:47 25 THE WITNESS: Okay.

1 Q. Were there other occasions when leveling
2 recommendations were made by people at the company
3 where those leveling recommendations were, in fact,
4 implemented by managers?

05:29:42 5 A. Yeah. Yes.

6 Q. Okay.

7 A. But the managers make those decisions.

8 Q. Okay. But my question was whether they were
9 implemented, not who made the decisions.

05:29:52 10 A. Yes.

11 MR. SAVERI: Okay. All right.

12 MR. KIERNAN: That's all I have.

13 THE VIDEOGRAPHER: This is the end of disk No.
14 4 in the deposition of Debbie Streeter.

05:30:01 15 The four original disks will be retained by
16 Jordan Media.

17 We are off the record at 5:30 p.m.

18 (DEPOSITION ADJOURNED AT 5:30 P.M.)

19 --- oOo ---
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25

1

2 I certify under penalty of perjury that the foregoing
3 is true and correct.

4

5 Date _____

6

DEBORAH STREETER

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REPORTER'S CERTIFICATE

I, Anne Torreano, Certified Shorthand Reporter licensed in the State of California, License No. 10520, hereby certify that the deponent was by me first duly sworn, and the foregoing testimony was reported by me and was thereafter transcribed with computer-aided transcription; that the foregoing is a full, complete, and true record of said proceedings.

I further certify that I am not of counsel or attorney for either or any of the parties in the foregoing proceeding and caption named or in any way interested in the outcome of the cause in said caption.

The dismantling, unsealing, or unbinding of the original transcript will render the reporter's certificates null and void.

In witness whereof, I have subscribed my name this 16th day of April, 2013.

☒ Reading and Signing was requested.

☐ Reading and Signing was waived.

☐ Reading and Signing was not requested.

ANNE M. TORREANO, CSR No. 10520